



FOREIGN  
BROADCAST  
INFORMATION  
SERVICE

---

# *Daily Report—*

# **China**

FBIS-CHI-88-154  
Wednesday  
10 August 1988

# Daily Report

## China

FBIS-CHI-88-154

### CONTENTS

10 August 1988

#### INTERNATIONAL AFFAIRS

##### General

Foreign Ministry Statement on Gulf, Angola .....	1
Announcement of Iran-Iraq Cease-Fire Hailed .....	1
UN Chief Praised .....	1
Iranian Envoy Issues Warning .....	2
PRC Envoy Pledges Support .....	2
UN Chief on Talks .....	3
Conference Studies Global Impact of Development .....	3
Beijing Science Conference To Use Esperanto .....	4
West Europe, USSR Differ on Disarmament .....	4

##### United States & Canada

U.S. Envoy Meets Tibet's Doje Cering .....	5
Liaoning Delegation Returns Home From U.S. /LIAONING RIBAO 26 Jul/ .....	5
PRC, Taiwan Composers Attend New York Symposium .....	6
U.S. Not Reducing Gulf Force in Short Term .....	6
Carlucci 'Relatively Optimistic' .....	7
U.S. Responds to Soviet Position on Radar .....	7

##### Soviet Union

Chinese Farm Workers Do Well in Soviet Union .....	7
USSR Welcomes Gulf Cease-Fire Plan .....	8
USSR Supports Agreements on Angolan Conflict .....	8
Soviet Inspectors Tour INF Sites in Belgium .....	8
Soviet Scholar Criticizes Economic History Study .....	9
USSR Said To 'Streamline' Trade Unions .....	9

##### Northeast Asia

Japanese Firm Given Land Use Right in Shanghai .....	9
Liaoning Delegation Returns Home From DPRK /LIAONING RIBAO 27 Jul/ .....	9
Japan Welcomes Gulf War Cease-Fire Announcement .....	10
South Korean Police Block Students' March .....	10
South Korean Prisoners Continue Hunger Strike .....	10

##### Southeast Asia & Pacific

Burmese Army Opens Fire To Disperse Protestors .....	10
Rangoon Curfew Imposed .....	11
Tourists Barred From Burma .....	11
Casualties Reported .....	11
Sihanouk To Visit UK for Talks With Thatcher .....	11
Sihanouk Holds Talks With Japanese Leaders .....	12
Meets Takeshita .....	12
Received by Uno .....	12
Meets Japan's Abe .....	12
Malaysia Hopes for Early Cambodian Settlement .....	13
Thailand To Seek More Balance in Foreign Policy .....	13

Thatcher Confers With Thailand's Prem, Chatichai .....	14
Favors UN Role in Cambodia .....	14
Trade Show Opens in Wellington, New Zealand .....	15
New Zealand Minister Cited .....	15

**Near East & South Asia**

Sino-Libyan Diplomatic Anniversary Marked .....	15
Academic Degree Accord Signed With Sri Lanka .....	16
154 Sri Lankan Tamil Militants Arrested in India .....	16
Pakistani President, Sri Lankan Minister Meet .....	16
Pakistan's Ziaul Haq Comments on Soviet Withdrawal .....	17
More on Mideast Visit of U.S. Envoy Murphy .....	17
Meets With Jordan's Husayn .....	17
Won't Meet Palestinians in Cairo .....	17
Reportage on Reaction to Gulf Truce Agreement .....	18
News Hailed in Iraq .....	18
Holiday Atmosphere in Baghdad .....	19
Kuwaiti To Fly to Moscow .....	19
Commentary on Peace Efforts /RENMIN RIBAO OVERSEAS EDITION 10 Aug/ .....	19

**Sub-Saharan Africa**

Commentary on Southwest African Peace Efforts /RENMIN RIBAO 10 Aug/ .....	20
Liberia Lauds Chinese Aid to Health Service .....	21
Vice President Receives Envoy .....	21
Health Minister Hosts Reception .....	21
Reportage on Trade Delegation's Visit to Lesotho .....	21
Cooperation Accord Signed .....	21
Meets Lesotho's King .....	21

**West Europe**

FRG Claims 'No Plans' To Deploy Armed Forces .....	22
--	----

**East Europe**

CPC's Wang Renzhi Meets Polish Party Group .....	22
SFRY To Allow Foreign-Owned Enterprises .....	22

**NATIONAL AFFAIRS**

Hu Qili on Beidaihe Meeting's Progress .....	23
CPC Commission Rules on Discipline Violations .....	23
Nuclear Fusion Study Reaches Advanced Level .....	23
Phone Line Used for Reporting Corruption Cases .....	24
Commentator's Article on Accusations, Punishment /RENMIN RIBAO 5 Aug/ .....	24
Supervision Ministry Urges Clean Government .....	25
Commentator's Article on Spiritual Civilization /RENMIN RIBAO 6 Aug/ .....	25
Provincial Differential Elections Praised /RENMIN RIBAO 29 Jul/ .....	26
'Floating Population' Creates Problem in Cities .....	28
Paper Views Sichuan Birth Control Efforts /RENMIN RIBAO 5 Aug/ .....	28
Li Peng Concerned About Shanghai Typhoon Damage .....	29
Yang Shangkun Receives Jiamusi Vice Mayor .....	29
Beijing Radio Views Panic Buying in Cities .....	29
GUANGMING RIBAO Examines Inflation Cures /30 Jul/ .....	30
BEIJING REVIEW on Single Price System /8-14 Aug/ .....	31
Economy Characterized by Stability, Prosperity /JINGJI CANKAO 30 Jul/ .....	32
Seasonal Fluctuations in Industrial Production /RENMIN RIBAO 6 Aug/ .....	33
Strict Procedures for Hotel Construction Urged .....	34
Encroachment on Arable Land To Be Halted .....	35

Report on Progress of Huanghuaihai Plain / <i>RENMIN RIBAO</i> 5 Aug/ .....	35
More Funds Slated To Combat Natural Disasters .....	36

## REGIONAL AFFAIRS

### East Region

Anhui Governor Addresses Public Security Meeting .....	37
Jiangsu Secretary on Cadre Selection Reform .....	37
Jiangxi Radio Commentary Urges Use of Mandarin .....	38
Shanghai To Expand Shareholding System .....	38
Shanghai Sets Up New Political Work System / <i>RENMIN RIBAO</i> 4 Aug/ .....	38
Shanghai's Jiang at Trade Union Congress Opening .....	39
Shanghai Suburban Industrial Output Grows .....	40

### Central-South Region

Guangdong Secretary Inspects Mountain Areas .....	40
Guangxi Farmers Should Manage Larger Farms .....	40
Hunan University To Recruit Only Rural Students .....	41

### North Region

Hebei Semiannual Statistics Released at Briefing / <i>HEBEI RIBAO</i> 27 Jul/ .....	41
Tianjin's Li Ruihuan on Literary, Art Works / <i>TIANJIN RIBAO</i> 26 Jul/ .....	42

### Northeast Region

Heilongjiang PLA Transferred to Civilian Posts .....	43
--	----

### Northwest Region

Shaanxi Blackmarketing, Commissions Pose Problem .....	43
--	----

## TAIWAN

Liberalization of Farm Product Imports Planned .....	44
Radio Urges Sports, Media Exchange With Mainland .....	44
ROK Ambassador Arrives To Take Up Post .....	45
Trade Mission Chief Named in Singapore .....	45

### General

#### Foreign Ministry Statement on Gulf, Angola

OW0908122988 Beijing Domestic Service in Mandarin  
0930 GMT 9 Aug 88

[Text] A spokesman of the Chinese Foreign Ministry issued a statement today on the UN secretary general's announcement of the dates for an Iran-Iraq cease-fire and direct talks between the two countries. The spokesman said that UN Secretary General Perez de Cuellar announced on 8 August that the Iran-Iraq cease-fire will begin on 20 August and that Iran and Iraq will hold direct talks on 25 August. This is significant progress made by Iran and Iraq in their effort to end the 8-year-old war. The Chinese Government welcomes this new development. We hope that Iran and Iraq will continue to uphold the spirit of mutual understanding and mutual concession, cooperate with the UN secretary general, dissolve their differences and disputes rationally and fairly through negotiations, turn swords into useful plowshares, and rebuild peace in the Gulf region. The Chinese Government will, as always, join the world community in closely coordinating with the secretary general's efforts and will strive to make its due contributions to fully implementing Resolution 598 and speeding up the realization of peace between Iran and Iraq.

A spokesman of the Foreign Ministry issued a statement today on the cease-fire agreement concluded by Angola, Cuba, and South Africa.

The spokesman said: Angola, Cuba, and South Africa announced simultaneously on 8 August that the three sides had reached an agreement on implementing a cease-fire in southern Angola and on the withdrawal of South African troops from Angola beginning on 10 August. The Chinese Government welcomes the progress made by all sides in their talks to seek political settlement of the Angola and Namibia issues, and expresses its appreciation for the efforts made by Angola and other African countries and other parties concerned to seek regional peace and stability. We hope that the relevant sides will continue to strive for new achievements in their negotiations. The South African authorities should earnestly carry out the agreement by withdrawing all their troops from Angola and sincerely implement Resolution 435 of the United Nations Security Council so as to achieve the independence of Namibia and peace and stability in the southwest African region.

#### Announcement of Iran-Iraq Cease-Fire Hailed

#### UN Chief Praised

OW0908042588 Beijing XINHUA in English  
0020 GMT 9 Aug 88

[By Wang Xianpeng]

[Text] United Nations, August 8 (XINHUA)—U.N. secretary-general expressed confidence this afternoon that both Iran and Iraq will respect his appeal about a cease-fire in their eight-year conflict.

Mr. Javier Perez de Cuellar said this to reporters after the Security Council meeting this afternoon, at which he announced August 20 as the D-day for the cease-fire between Iran and Iraq.

"I am persuaded that both parties are very much interested in finding a just, lasting solution of the problem," he said.

Amid high praise for his personal effort in bringing this about, Mr. Perez de Cuellar, well known for his modesty, noted that it should not be viewed as "a personal success".

"It's a success for the Security Council. It's a success for the (U.N.) Organization," he said.

Regarding the direct talks between the two parties to start in Geneva on August 25, he noted that as their differences are "extremely complex", he would expect long discussions and different rounds of direct talks.

It is impossible to foresee a specific timetable for completing the peace negotiations between the two parties, he added.

He hoped to be personally involved in the direct talks, "at least, at the beginning".

However, he revealed that in the next few weeks, he will also direct his attention to three other important issues, namely, the southern African situation, the Western Sahara and Cyprus problems.

He will present his proposals next Thursday to Morocco and the Polisario Front over the Western Sahara issue. He is scheduled to meet the parties concerned in the Cyprus question on August 24 to seek a resumption of the talks between the Greek and Turkish Cypriots.

However, he indicated that peace between the two Gulf states would occupy major portion of his time. He hoped that the Security Council would approve the establishment of the military observer group for monitoring the cease-fire when it convenes tomorrow.

Diplomats and the press at the United Nations are almost unanimous in their praise for the U.N. chief's efforts and for the role of the world body in pushing for peace in the Gulf region.

U.S. Ambassador Vernon Walters told reporters that it has been "a truly historic day for the United Nations."

The fact that the secretary-general, with the full consent of the Security Council and the belligerent parties, laid down a date on which hostilities will cease, is "truly a unique precedent," he said.

**Iranian Envoy Issues Warning**

OW 0908051388 Beijing XINHUA in English  
0029 GMT 9 Aug 88

[By Lei Lili]

[Text] United Nations, August 8 (XINHUA)—Iranian Foreign Minister 'Ali Akbar Velayati today hailed the U.N. announcement of D-day for a cease-fire in the eight-year Gulf war as "a historic step" towards "full and rapid peace in the Gulf region."

Speaking at a press conference immediately after U.N. secretary-general announced an August 20 cease-fire, Velayati said that Iran is "confident that with this historic step, the road for the full and rapid implementation of all provisions of the Resolution (598)... Has been paved."

The resolution, adopted by the Security Council unanimously July 20 of last year, calls for an immediate cease-fire between Iran and Iraq, withdrawal of forces of both sides to the internationally recognized borders, exchange of prisoners of war, establishment of an impartial body to identify the aggressor.

Velayati, who has been here in the past two weeks on talks with Secretary-General Javier Perez de Cuellar, declared that his government "is prepared to accept the demand of the secretary-general and that of the entire world community, and refrain from any military action on land, at sea and in the air, starting today."

However, he said, "if we are attacked, there will be no hesitation in retaliating."

Asked if he would go to Geneva for direct talks with Iraq, Velayati said, "it depends on the decision of the secretary-general. If he asks me to go there, I'll go there."

At this afternoon's Security Council meeting, the secretary-general also announced that he will invite representatives from both sides to start face-to-face talks in Geneva on August 25 to work out a comprehensive, honorable and durable settlement of the Iran-Iraq conflict.

Velayati again charged Iraq with using chemical weapons intensively.

He urged the Security Council "to vehemently condemn" Iraq's policy of resorting to chemical weapons and take "immediate and effective measures" in order to "prevent such an abominable practice from becoming a dangerous precedent for other countries."

**PRC Envoy Pledges Support**

OW 1008010188 Beijing XINHUA in English  
2331 GMT 9 Aug 88

[By Chen Shengtao]

[Text] United Nations, August 9 (XINHUA)—Diplomats here are satisfied of the indelible contribution which the United Nations has been making to Gulf peace as it is now in sight following the announcement of cease-fire yesterday by Secretary-General Javier Perez de Cuellar with the support of the Security Council. [sentences received]

To the great relief of the world people long upset by a protracting war in such a strategically important area like the Gulf, the U.N. chief said that he has scheduled a cease-fire for August 20 for Iran and Iraq and the agreed subsequent direct talks between the two parties for August 25, to be held in Geneva under his auspices.

Chinese Ambassador Li Luye, who presides over the Security Council for the month of August, expressed the endorsement of the council for the secretary-general's statements and pledged "full support" for his further action in the implementation of Resolution 598.

Diplomats said it is the resolution that counts most in promoting the peace progress in the Gulf. This is why it has been enthusiastically received by the international community and eventually accepted by the two countries in conflict.

Unanimously adopted in July, 1987 by the Security Council, the resolution demands an immediate cease-fire and the withdrawal of troops to the internationally recognized boundaries. It also calls upon Iran and Iraq to cooperate in the U.N. chief's mediation effort "to achieve a comprehensive, just and honorable settlement" of the outstanding issues between them.

Under the resolution, the U.N. chief will send U.N. observers to the two countries to supervise the cease-fire and withdrawal of troops, and later an experts' team to study the question of reconstruction with international assistance.

Thus, some observers said, the world body is able to address the matter in all its aspects, ranging from the urgently needed truce to post-war reconstruction, and to count on a variety of leverages, including international mediation and intervention and mobilized initiatives from the warring states themselves.

They believed as a matter of fact, an inevitable road of peace was already in place the time the resolution was approved, that the two countries in conflict, after one year of hesitation and hard bargaining, has eventually returned to the resolution for the settlement of their issue proved to the hilt.

Diplomats in general also spoke highly of the adroitness, perseverance, patience and the spirit of accommodation displayed by council members and the secretary-general, which were instrumental to their successful story. The fact that they made it in little more than a year was impressive, the diplomats said.

The council and the U.N. chief had made the best use of the situations surrounding Iran and Iraq over the past year and won the help of many other countries in bringing them together for peace, one senior U.N. official said. The war had become a too costly undertaking for either side to continue. Externally, most of those who took sides before now joined in the peace effort, he added.

Referring to the doggedness of mediators, one observer said the greatness of the numbers of missions and rounds of talks involved in the good-offices, bilateral or multi-lateral, was rarely seen, if not unique. Tough as their job was, a Gulf in jeopardy matters too much to be ignored.

He went on to say the secretary-general alone had ten rounds of negotiations with the Iranians and six others with the Iraqis during the past two weeks.

Well-informed sources recalled there were times when some of the council members had run out patience and were strongly in favor of sanctionary measures against non-compliance. But the 15-member council as a whole and the secretary-general remained steadfast and would rather continue to wait, and not in vain as things had turned out. They believed the secretary-general was right to say "it pays to be patient"—a remark he made last week when Baghdad announced its conditional acceptance of the cease-fire.

One diplomat described the team spirit of the council as unprecedented in the U.N. history. Nobody went his own way and every move of the council was agreed upon unanimously and all gave the secretary-general firm support at crucial moments, he added.

**UN Chief on Talks**  
*OW1008034688 Beijing XINHUA in English*  
*1816 GMT 9 Aug 88*

[Text] United Nations, August 9 (XINHUA)—The forthcoming direct talks between Iran and Iraq will "not be lower than the foreign ministers' level", UN Secretary General Javier Perez de Cuellar told reporters here today.

The talks, to begin on August 25 as proposed by Mr. Perez de Cuellar at the Security Council meeting yesterday, will be held in Geneva rather than New York to facilitate communications of the two parties with their respective governments considering the time differences between the venues and the capitals.

Mr. Perez de Cuellar will leave for Geneva at the end of next week to prepare for the talks. While there, he will meet with the parties concerned in the Cyprus issue on August 24 and 25. He plans to see the foreign ministers of Iran and Iraq in the afternoon of August 25.

He told reporters yesterday that he would oversee at least the initial stage of the face-to-face talks between representatives of the two Gulf states.

Asked today about the financing of the peace-keeping operation for the Iran-Iraq cease-fire, Mr. Perez de Cuellar noted that he would have to go to the General Assembly for special authorization for the funding.

He particularly urged the United States to pay up its assessed contributions. The U.S. Government still owes the UN 467 million U.S. dollars in the regular budget, in addition to 65 million dollars in peace-keeping operations.

Asked if the U.S. will provide part of the funding for peace-keeping in Iran and Iraq, U.S. Ambassador Vernon Walters told reporters today that his government will honor its obligations, and that the U.S. Congress has been consulted and informed of the financial aspects of the proposed military observer group.

**Conference Studies Global Impact of Development**  
*OW0908051888 Beijing XINHUA in English*  
*1430 GMT 8 Aug 88*

[Text] Beijing, August 8 (XINHUA)—More than 50 Chinese and foreign scholars and specialists today suggested that decision-making modeling of an international scale be established.

The suggestion was put forward at an international conference on global decision-making modeling and Chinese philosophy that opened here today.

According to specialists, the development strategy a nation adopts may lead it to a high level of development, but at the same time, it may also bring unforeseen environmental consequences world-wide. The sense of the whole globe is therefore essential in making decisions governing particular regions.

Specialists believe that research in global decision-making modeling is of great significance to all mankind.

Their ideas show their deep love and concern for the whole human race. Professor Zhang Shunjiang held that the disappearance of tropical forests, the reckless excavation of coal and oil, heavy pollution around the globe and damage to the atmosphere have resulted from the rapid development of one part of the world without due consideration having been given to the earth as a whole.

Zhang is now vice-president of the China Decision-Making Research Association. He said that the association has gathered ideas of many Chinese specialists in the field.

Decision-making, a newly emerged branch of social sciences, has formed its own basic and applied theories in China.

Essays presented by specialists at the conference have covered such topics as principles of management science, theory and method of development strategy, study of modeling of modern Chinese society, and moderate-scale management in agriculture and its development strategy.

The five-day meeting will be largely devoted to discussions on the basic theories of decision-making science and decision-making, and the management of economic and cultural development based on the modeling of a world system.

**Beijing Science Conference To Use Esperanto**  
*OW0908164988 Beijing XINHUA in English*  
*0819 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—About 1,400 scientists from all over the world will gather in Beijing tomorrow to begin a one-week meeting at which all the participants will be required to speak the same language—Esperanto.

Internationally-recognized scientists will present to the conference their latest research papers written in Esperanto. These scientists include Polish economist Barbara Despiney, American computer scientist Joan Philips, Soviet physicist Mikhail Popov and Bulgarian ecologist Hristo Marinov.

According to Professor Shen Chenru, chairman of the organizing committee of the conference, most of the topics to be addressed at the meeting involve important areas of science such as mathematics, geology, medicine, meteorology and economics.

It is estimated that today more than 10 million people in the world are learning and using Esperanto, an artificial language invented by Polish Doctor L. Zamenhof 100 years ago.

In recent years China has made great efforts to promote Esperanto, and now it is widely applied in science and technology. China's Ministry of Education has officially recognized Esperanto as a second foreign language for college students to study in their selective courses. Altogether, 71 Chinese universities and colleges are now running Esperanto courses, with several thousand Chinese students.

Many Chinese scientists have published papers in Esperanto.

Some leading Chinese scientists have voiced strong support for this campaign.

Professor Hu Shen, president of the Chinese Academy of Social Sciences, who learned the language 50 years ago, said, "Under the current environment of reform and openness, China should stress Esperanto as an efficient means of communication, making it useful in every field."

Professor Lu Jiaxi, former president of the Chinese Academy of Sciences, said, "Science needs Esperanto as an efficient tool of communication."

Some noted Chinese scientists are urging their colleagues around the world to write and publish more research papers in Esperanto. "In that way, people of different nationalities will enjoy an equal right and chance to share the blessings of science and technology," said Professor Zhou Yao, a leading Chinese entomologist.

**West Europe, USSR Differ on Disarmament**  
*OW0908152788 Beijing XINHUA in English*  
*1338 GMT 9 Aug 88*

[Text] Moscow, August 9 (XINHUA)—Western Europe and the Soviet Union have not found common languages on the disarmament issue and each has asked the other to cut its edge in the armed forces, two articles published by the Soviet newspaper TRUD indicated today.

In an interview with TRUD's reporter based in London, British Secretary of State for Defense George Younger stressed that the elimination of nuclear arms in Europe would make West European countries lose their security guarantee while the Soviet Union still has an edge in conventional and chemical weapons.

Citing tanks and artillery as an example, Younger said the ratio between the Warsaw Pact and the NATO is 51,000 to 17,000.

TRUD, the organ of the All-Union Central Council of Trade Unions, quoted Younger as saying that so long as the Soviet Union has such an offensive capability, Western Europe will not agree to destroy all the nuclear arms in Europe.

He also demanded that the Soviet Union trim its tactical nuclear arms unilaterally because of its superiority in short-range missiles.

However, Soviet Defense Minister Dmitriy Yazov said in an article, published by TRUD in the same page, that there exists the possibility of establishing a nuclear-free Europe on the principle of keeping only enough arms for defense.

Yazov also stressed that the United States and Western Europe have an advantage in the air and naval forces over the Soviet Union, an apparent countercharge against what Younger said the Soviet side is superior in conventional arms.

He suggested that the Soviet Union, Western Europe and the United States as well respectively reduce the part of arms which gives them an edge over the other side.

He urged all parties to make fresh efforts to consolidate the treaty signed by the Soviet Union and the United States in Washington last December to scrap their medium- and shorter-range missiles.

### United States & Canada

**U.S. Envoy Meets Tibet's Doje Cering**  
*OW0908181688 Beijing XINHUA in English*  
*1753 GMT 9 Aug 88*

[“Tibet Is Not Closed, Official Says”—XINHUA headline]

[Text] Lhasa, August 9 (XINHUA)—A top Tibetan official said here today that the regional government will in a planned way allow more foreign correspondents to come for news coverage.

In his meeting with American Ambassador to China Winston Lord tonight, Doje Cering, chairman of the People's Government of Tibet Autonomous Region, said the region has remained open since last September although some restrictions have been made.

Winston Lord said that the U.S. Government recognizes Tibet as part of China's territory, and that his government is concerned about the political, economic and human rights situations in other countries.

He said that he has read all sorts of news reports about Tibet, and he would like to know whether those Tibetans arrested last autumn and spring will be sentenced.

Doje Cering told Lord that anyone with no prejudice can see that the Tibetan people now enjoy greater human rights than in any other periods in Tibetan history.

In the past, he said, there was no human right for most Tibetans as under the serfdom ordinary people were treated as beasts that could be killed or sold on the market.

“No other people could have trampled the human rights of the Tibetan people as much as those who now claim that serfdom is human while socialism is inhuman,” he said.

The American people are friendly towards the Chinese people but a handful of U.S. congressmen have biased views on Tibet, he said, adding that their views result from ulterior motives if not ignorance.

He stressed that foreign reporters to Tibet should observe China's regulations and do nothing harmful to the relationship between the Chinese people and Government and their own people and governments.

Doje Cering said that most of the people—about 220—detained after the riot on March 5 this year in Lhasa have been released although a score of them are still under custody.

They will be punished according to law, he said.

All criminals, despite their beliefs and nationalities, should be brought to justice, he emphasized.

Mr. Lord said that he would make an accurate report of what he had learned from the chairman to the American Government.

“The Tibetan regional government does not require people to paint a rosy picture about Tibet,” Doje Cering said, “we only hope that the Tibetan situation is fairly presented.”

**Liaoning Delegation Returns Home From U.S.**  
*SK1008005088 Shenyang LIAONING RIBAO*  
*in Chinese 26 Jul 88 p 1*

[Text] A delegation of the Liaoning Provincial People's Government, headed by Governor Li Changchun, successfully concluded its visits to the U.S. states of Illinois and North Carolina and returned to Shenyang City on 24 July.

During its U.S. visit, Governor Li and Governor Thompson of the State of Illinois jointly attended a ribbon-cutting ceremony for the opening of the Liaoning Provincial Export Trade Fair in Chicago City. Governor Li and Governor Martin of North Carolina State signed an agreement on establishing friendship ties between the province and the state and attended the forum on economic and trade relationship between Liaoning Province and North Carolina State.

When it arrived at Shenyang City, the delegation was greeted at the airport by the leading comrades of the provincial party committee and the provincial People's Government, including Wen Shizhen, Gao Zi, and Yu Xiling, and by the officials of the U.S. Consulate General in Shenyang City.

**PRC, Taiwan Composers Attend New York Symposium**  
*OW0908182388 Beijing XINHUA in English*  
*0806 GMT 9 Aug 88*

[“Symposium on ‘Tradition and Future of Chinese Music’ Opens (by Qian Wenrong)”—XINHUA headline]

[Text] New York, August 8 (XINHUA)—The symposium on “Tradition and the Future of Chinese Music”, the first ever gathering among composers from the mainland China and Taiwan in four decades, opened here today under the sponsorship of the Center for United States-China Arts Exchange.

Director of the center Professor Chou Wen-chung said in the inauguration speech that the symposium is aimed at promoting the cultural exchange on the two sides of the Taiwan Straits cut off since 1949.

He hoped that 20 composers from both parts of China who are attending the symposium at the Columbia University would center their discussion on the present situation of the cultural development in China and its significance and position against the world cultural backdrop.

Wu Zhuqiang, president of Central Conservatory of Music who is heading a 10-composer delegation from the mainland, and Professor Hsu Tsang-houei, chairman of Chinese Composers’ League in Taiwan and head of the 10-composer delegation from Taiwan, delivered their speeches respectively to hail the opening of the symposium.

Speaking to XINHUA, Professor Chou said: “The atmosphere was warm during the discussion and everything’s going on smoothly.” The composers introduced their own music works by playing the records after a short speech to explain their views on the tradition and future of Chinese music.

“A composer’s view and attitude can be understood through listening to his works”, Professor Chou said. Included in the composers are young and prominent composers from the mainland like Qu Xiaosong, 36, and Tan Dun, 31, who is a PH.D. candidate in musical arts in the School of Arts of Columbia University.

Famous Taiwan composers include Ma Shui-long, dean of academic affairs and professor of composition of National Institute of the Arts, and Hsu Po-yun, president of New Aspects Arts Center and secretary general of the Federation for Asian Cultural Promotion also attended the symposium.

“I’m fully confident” that the symposium will be a success, Professor Chou said.

The symposium is scheduled to close on August 12.

**U.S. Not Reducing Gulf Force in Short Term**  
*OW1008090188 Beijing XINHUA in English*  
*2341 GMT 9 Aug 88*

[Text] Washington, August 9 (XINHUA)—The United States welcomed the announcement of United Nations Secretary General Javier Perez de Cuellar setting August 20 as a cease-fire date in the Iran-Iraq war and the acceptance of the cease-fire by the parties involved, the White House said today.

“It has been a major aim of the United States to bring this war to an end,” White House spokesman Marlin Fitzwater said in a statement.

The spokesman said, “We now look forward to the implementation of U.N. Security Council Resolution 598 in all its parts in order to bring this war to a rapid conclusion.”

Fitzwater said the administration is pleased that the United Nations is moving quickly to put in place an observer force to monitor a cease-fire in the Gulf.

“In this regard, the United States stands ready to bear its fair share of the costs, including the provision of transportation of equipment as necessary to facilitate the mission of the observer force,” he said.

But he added, “It is our understanding that there will be neither U.S. nor Soviet troops in the observer force.”

The U.N. Security Council voted today to send a 350-member unarmed peacekeeping force to monitor a cease-fire and troop withdrawals in the eight-year war between Iran and Iraq.

“We will stay in close contact with the secretary general as this process unfolds,” Fitzwater said. “We take this opportunity to commend the secretary general for his efforts and to urge continued cooperation by the concerned parties.”

Asked whether the United States is going to reduce its naval forces in the Gulf as a result of the cease-fire, Fitzwater said, “in the short-term, we have no plans to reduce our forces in the Gulf.”

Noting the U.S. has had forces in the Gulf since 1949, the spokesman added, “We will continue to have forces in the Gulf at some level. But we will consider a reduction as the threat diminishes.”

Secretary of Defense Frank Carlucci said this morning that the United States will withdraw most of its naval forces from the Gulf only when it is convinced a cease-fire in the Iran-Iraq war has taken hold.

The U.S. Navy maintains 27 warships in or around the Gulf to protect neutral commercial ships through the waterway.

Dan Howard, a Pentagon spokesman, said if there is a fully implemented cease-fire, and if there is an end to the hostilities in the Gulf, "we will then adjust our forces in the area."

But he added, "it's early days yet in this process."

**Carlucci 'Relatively Optimistic'**  
*OW1008031488 Beijing XINHUA in English  
1531 GMT 9 Aug 88*

[Text] Washington, August 9 (XINHUA)—U.S. Secretary of Defense Frank Carlucci said today that the United States will reduce its naval forces from the Gulf only "when a cease-fire in the Iran-Iraq War is fully implemented.

"I would think we'd have to wait until the cease-fire actually takes hold, and probably after that a prudent period to make sure that it stays in effect," Carlucci said this morning in the three network television appearances that includes ABC, CBS, and NBC.

"We have no desire to keep our ships, our people, there any longer than necessary. At the same time, we don't want to put them in any danger," the secretary said.

The U.S. Navy now maintains a fleet of 27 warships in the Gulf region to protect neutral commercial ships through the waterway.

Carlucci stressed that American forces would remain in place until the United States is convinced that shipping in the region is safe.

"We will withdraw our forces as soon as the threat diminishes," Carlucci said, indicating the United States will probably maintain a presence of three to five ships in the Gulf region—about what it has had there since 1949.

"But that depends on the threat," the secretary said.

Carlucci made the remarks 1 day after United Nations Secretary General Javier Perez de Cuellar announced that Iran and Iraq had accepted a cease-fire to begin August 20 and will open talks on a permanent peace accord 5 days later in Geneva.

"I'm relatively optimistic," Carlucci said when asked about the prospects for the cease-fire in the Gulf.

**U.S. Responds to Soviet Position on Radar**  
*OW0908142688 Beijing XINHUA in English  
0639 GMT 9 Aug 88*

[Text] Washington, August 8 (XINHUA)—President Ronald Reagan has directed the U.S. Defense Department to "take the lead in developing a range of appropriate and proportionate responses for consideration" if the Soviet Union continues to refuse to dismantle its radar in Krasnoyarsk.

White House spokesman Marlin Fitzwater reported the order today in a statement announcing a date for a third, five-year review of compliance by the superpowers to the Anti-Ballistic Missile Treaty (ABM).

According to Fitzwater, the United States's principal objective at the review session beginning August 24 in Geneva is to "obtain the Soviet Union's agreement to correct its violations of the ABM Treaty and to satisfy other U.S. concerns regarding Soviet non-compliance with its obligations under the treaty."

He said that the Soviet large "phased-array radar" station at Krasnoyarsk, Siberia, "is a significant violation" of a central element of the 1972 ABM Treaty, and that it "should be dismantled without further delay and without condition."

The Soviet Union said on July 19 that it would dismantle the radar complex if Washington and Moscow resolved their differences at the Geneva arms talks over the ABM Treaty, but the United States rejected this offer almost immediately after it was announced in Moscow.

Earlier this month, the United States also rejected a subsequent Soviet proposal to render the radar equipment inoperable but not to dismantle it.

"Unless resolved, the Krasnoyarsk radar violation will force the United States to consider the exercise of its rights under international law to take appropriate and proportionate responses," the latest White House statement said.

It said that among the United States' options would be the declaration of "a material breach of the ABM Treaty."

This, according to analysts, would provide grounds for the United States to go beyond the treaty in initiating the U.S. anti-missile program known as "Star Wars."

**Soviet Union**

**Chinese Farm Workers Do Well in Soviet Union**  
*SK1008034688 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 9 Aug 88*

[Text] In line with the labor service agreement reached by Suiyuan City, a city on the Chinese-Soviet border, and Pogranichnyy of the Soviet Union, our side will send the first group of personnel for agricultural labor service, totaling 76 persons, to work in the Soviet Union in mid-May. Because the labor service personnel of our side are able to bear hardships, stand hard work, and carry out intensive and meticulous farming, they are respected by the Soviet side. The Soviet side regards the vegetable fields cultivated by the labor service personnel of our side as model fields. Relevant personnel from Usuriysk and Khabarovsk came there for visits and investigations and invited the labor service personnel of our country to cooperate with the two cities in vegetable production.

Thanks to success in the cooperation and in line with the actual conditions of the labor forces of our side and the request of the Soviet side, the fields cultivated by the labor service personnel of our side have increased from 40 to 85 hectares, and the variety of vegetables grown has increased.

**USSR Welcomes Gulf Cease-Fire Plan**  
*OW1008025088 Beijing XINHUA in English*  
*1523 GMT 9 Aug 88*

[Text] Moscow, August 9 (XINHUA)—A Soviet Foreign Ministry spokesman said today that the Soviet Union welcomes the cease-fire reached between Iran and Iraq.

Speaking at a press conference, Soviet Foreign Ministry spokesman Vadim Perfilyev said the United Nations, the UN Security Council and Secretary General Javier Perez de Cuellar have played a "major role" in reaching the cease-fire.

The UN secretary general announced Monday that Iran and Iraq will cease-fire beginning August 20 and will have direct peace talks in Geneva on August 25.

The Soviet Union highly praised Perez de Cuellar for his role in mediating in the Gulf War, the spokesman said, adding that there existed "the realistic possibility" of cease-fire between the two warring states because of his efforts.

Perfilyev denounced the allegation of U.S. President Ronald Reagan that the possible ending of Iran-Iraq War is the result of the U.S. "strength policy." He believed that the U.S. military presence in the Gulf has aggravated the tense situation in the region.

Asked if the Soviet Union will send its military observers to Iran and Iraq, the spokesman gave an ambiguous reply. "I cannot give you an accurate answer as to what kind of guarantee the Soviet Union will provide to ensure the enforcement of UN Security Council Resolution 598," he said.

He added that the Soviet Union will continue to support Perez de Cuellar's efforts to bring an end to the Gulf War.

The spokesman also said the Kuwaiti foreign minister arrives in Moscow today to have talks with the Soviet leaders on the Gulf situation and bilateral cooperation.

**USSR Supports Agreements on Angolan Conflict**  
*OW1008085288 Beijing XINHUA in English*  
*2338 GMT 9 Aug 88*

[Text] Moscow, August 9 (XINHUA)—The Soviet Union "fully supports" agreements reached at the fourth round of talks in Geneva last week between Angola, Cuba and South Africa with mediation of the United States on the settlement of the situation in the southwest of Africa, a Soviet spokesman said today.

Vadim Perfilyev, deputy head of the Information Directorate of the Soviet Foreign Ministry, told a news briefing here that the Soviet Union wishes the participants in the talks further success.

"It is important today to ensure the reliable fulfilment of the agreements by all the parties concerned," Perfilyev said, adding that the Soviet Union is ready to act together with other members of the U.N. Security Council as a guarantor of the settlement of the situation in the southwest of Africa.

The Geneva accords give a real impetus to the whole of the process of political settlement in the region, he added.

The parties in the Geneva talks last week agreed on a sequence of steps necessary to ensure the granting of independence to Namibia in accordance with U.N. Resolution 435, and to achieve peace in southwestern Africa. The parties agreed to recommend to the U.N. Secretary general the date of November 1, 1988, for the beginning of implementation of Resolution 435.

**Soviet Inspectors Tour INF Sites in Belgium**  
*OW0908230288 Beijing XINHUA in English*  
*1835 GMT 9 Aug 88*

[Text] Brussels, August 9 (XINHUA)—The 20 Soviet inspectors who arrived in Belgium yesterday afternoon announced their inspection site selections and started their tours of U.S. intermediate-range missile facilities this morning.

This is the first group of Soviet inspectors who came to Belgium to carry out their baseline inspections of the data handed to them by the United States about their INF nuclear missile facilities in Belgium, one of the U.S. missile basing countries in West Europe.

According to the INF Treaty signed last December in Washington by the U.S. and the Soviet Union, both the two countries would start their baseline inspections from July 1 to the end of August, and their inspectors could only stay in each other's missile facilities for 24 to 36 hours.

Similar inspections by the Soviet Union have been conducted to other U.S. INF missile bases in the United Kingdom, West Germany, Italy and the Netherlands. The United States have also sent inspectors to Soviet INF missile bases in East Germany and Czechoslovakia. They also sent inspectors to each other's INF missile facilities in the U.S. and the Soviet Union for the same purpose.

The first group of Soviet inspectors in Belgium breaks up into two teams. One led by Mr. Vyacheslav S. Lyebedev inspected the Florennes base, where 16 U.S. Cruise missiles are deployed, and the other led by Mr. Gennadiy

M. Komogortsev inspected Gosselies, the European repair facility for SS-17 missiles. Both teams were escorted by U.S. and Belgian officers.

When the Soviet teams arrived at the separate inspection sites at about 1100 this morning, journalists were only allowed a photo opportunity and no questions were to put forward [as received] to the Soviet inspectors. It is still unknown when the Soviet inspectors will leave.

**Soviet Scholar Criticizes Economic History Study**  
*OW1008003788 Beijing XINHUA in English*  
*1443 GMT 9 Aug 88*

[Text] Moscow, August 9 (XINHUA)—A Soviet scholar has said that problems have existed in Soviet approaches to study of economic history since the country's 1917 "October Revolution."

Soviet economist Y. Kuziminov said in an article, carried in today's editions of the Soviet newspaper "SOCIALIST INDUSTRY," that to divorce the economic theories of Karl Marx from the then historical conditions would lead to blind worship.

Any economic theory or idea that breaks the official line was long considered "wrong" or "poisonous," Kuziminov said.

During the 1930s, disputes in economic theories were usually solved by administrative methods and many economists were purged, the scholar noted.

Economic ideas of the West were not studied from the 1940s to the 1960s, and economic history was belittled, he said.

A "conservative trend" emerged in the field in 1970s, Kuziminov said, adding that most official economic statistics and information was not open to researchers and any theories that did not conform to Marxism were labelled "unscientific."

In the article, the economic scholar called for further research of economic history, which he said would push ahead the current economic restructuring in the Soviet Union.

**USSR Said To 'Streamline' Trade Unions**  
*OW1008011388 Beijing XINHUA in English*  
*1451 GMT 9 Aug 88*

[Text] Moscow, August 9 (XINHUA)—The Soviet Union will trim 25 percent of the staff members of the trade unions from regional to central levels by the end of this year, as part of the drive to streamline the organizations.

According to the Soviet newspaper "TRUD" today, the decision was made in a resolution adopted at the Third Plenary Session of the All Union Central Council of Trade Unions held here on August 5 and 6.

The resolution also stipulated in detail the methods of simplifying the structure of the trade unions in all trades.

The plenum believed that the law on the rights of Soviet trade unions, which is being drafted, is of great importance and will ensure that the trade unions involve extensively and effectively in state affairs, "TRUD" said.

The session also approved another resolution, which calls on the trade unions at all levels to enforce the economic-accounting system and make contributions to solving the food and housing problems.

### Northeast Asia

**Japanese Firm Given Land Use Right in Shanghai**  
*OW0908115288 Beijing XINHUA in English 0731 GMT*  
*9 Aug 88*

[Text] Shanghai, August 9 (XINHUA)—For the first time, China has let out the land-use right of a plot to a foreign firm according to a contract signed here Monday.

Under the contract, the Sun Enterprises Ltd of Japan will have the right to use for 50 years a 12,900 sq m plot in Shanghai's Hongqiao Economic and Technological Development Zone designed for overseas investors.

On July 8 the company beat five other firms to win the bidding for the right to use the plot. It will pay 104.16 million yuan (about 30 million U.S. dollars) for the land.

A company official said his company plans to construct apartment buildings, office buildings, restaurants, stores and recreational facilities there.

**Liaoning Delegation Returns Home From DPRK**  
*SK1008004488 Shenyang LIAONING RIBAO*  
*in Chinese 27 Jul 88 p 1*

[Text] A delegation of the Liaoning Provincial CPC Committee, headed by Sun Qi, alternate member of the CPC Central Committee and deputy secretary of the Liaoning Provincial CPC Committee, with Liu Defang, deputy secretary of the Liaoning Provincial Discipline Inspection Commission, as its deputy head, successfully concluded its friendly visit to the DPRK's North Pyongan Province and returned by train to Shenyang City on the afternoon of 26 July.

Greeting the delegation at the railway station were Gao Zi and Yu Xiling, members of the Liaoning Provincial CPC Standing Committee.

During its stay in the DPRK, the delegation paid a visit to the cities of Pyongyang, Wonsan, and Hamhung at their invitation. Hwang Chang-yop, secretary of the Secretariat under the Central Committee of the Worker's Party of Korea, cordially received all members of the

delegation. The delegation was welcomed warmly and entertained enthusiastically wherever it went and achieved complete success in its visit.

**Japan Welcomes Gulf War Cease-Fire Announcement**  
*OW0908081688 Beijing XINHUA in English  
0533 GMT 9 Aug 88*

[Text] Tokyo, August 9 (XINHUA)—Japan welcomed the determination of D-day, the date of ceasefire for the Iran-Iraq conflict and believed that it would lead to a comprehensive, just and honorable settlement of the eight-year-long war between the two countries.

It was learned that all military actions between Iran and Iraq will be discontinued as of 0300 GMT on 20 August, 1988.

Japanese Foreign Minister Sosuke Uno said here today in a statement that the Japanese Government strongly expects that Iran and Iraq will, in the meantime, show maximum restraint in their military actions and the ceasefire will be observed as arranged.

Japan is firmly determined to cooperate in every feasible way in the international efforts such as the dispatch of a team of United Nations observers on ceasefire and withdrawal of forces, and reconstruction of Iran and Iraq, the statement said.

**South Korean Police Block Students' March**  
*OW1008012488 Beijing XINHUA in English  
1504 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—South Korean police today blocked students launching a "cross-country" march which the students hope will lead to reunification talks with their northern counterparts at the truce village of Panmunjom next week.

Police detained 15 students on the south island of Cheju as they climbed Mt. Halla, the highest peak in South Korea, the AGENCIE-FRANCE PRESS (AFP) reported, quoting a student leader. The students planned to hold a ceremony at the mountain top to start the march.

According to reports reaching here Monday, the march would go through several cities to meet other students before reaching Seoul on August 14. The marchers plan to go to Panmunjom on August 15, the Korean Independence Day, for reunification talks with students from the northern side of Korea.

Some 10,000 students on the northern side began a similar march Monday from Mount Paektu toward Panmunjom, the KOREAN CENTRAL NEWS AGENCY reported today.

**South Korean Prisoners Continue Hunger Strike**  
*OW1008001288 Beijing XINHUA in English  
1423 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—Some 120 South Korean political prisoners in Seoul continued a hunger strike for a sixth day today to demand the release of all political detainees, according to news accounts received here.

The Seoul Detention Center prisoners, who began the strike last Thursday, also demanded that they be allowed to read newspapers and listen to the radio, the AGENCIE-FRANCE PRESS (AFP) reported.

They were denied meetings with family members and relatives because of the strike, the AFP report added.

South Korea's Justice Ministry claims that it is holding only 650 political prisoners, but opposition parties and dissident groups put the number at 1,000, according to the news report.

**Southeast Asia & Pacific**

**Burmese Army Opens Fire To Disperse Protestors**  
*OW0908082588 Beijing XINHUA in English  
0802 GMT 9 Aug 88*

[Text] Rangoon, August 9 (XINHUA)—Four persons were injured when the Army opened fire at about midnight yesterday to disperse demonstrators staying outside the Municipal Office here, according to the state radio this morning.

The demonstrators were staying outside the Municipal Office and other places after they were requested to leave by the authorities, the radio report said.

The demonstrators in front of the Municipal Office dispersed at about 2:00 (local time) this morning, according to the report.

There is no official report about deaths.

Tens of thousands of people held a large-scale peaceful demonstration here yesterday, during which 811 persons, including 108 women and 11 monks, were detained.

Today demonstrations resumed in several places in Rangoon.

According to witnesses, the security Army opened fire again to disperse the demonstrators; some persons were injured.

10 August 1988

**Rangoon Curfew Imposed**

*OW0908191088 Beijing XINHUA in English  
1740 GMT 9 Aug 88*

[Text] Rangoon, August 9 (XINHUA)—Curfew was ordered in Burma's capital of Rangoon from today, the state radio announced tonight.

The radio said that the curfew was ordered by Rangoon command of the Burmese Army from 8:00 pm to 4:00 am the following day.

It is the second curfew in Rangoon in two months. The previous one was imposed from June 6 to July 9.

The curfew was imposed as residents continue to hold demonstrations some places in Rangoon today.

Tens of thousands of people, including young students, locals, workers and monks, held a large-scale peaceful demonstration in Rangoon yesterday.

**Tourists Barred From Burma**

*OW1008072688 Beijing XINHUA in English  
0706 GMT 10 Aug 88*

[Text] Bangkok, August 10 (XINHUA)—The Burmese Embassy here has stopped issuing tourist visas in the wake of recent unrest in Burma.

A Thai who was granted a visa yesterday said that he was the last one to be allowed to enter that country as a tourist because the Burmese Embassy was instructed to suspend visas for tourists.

An embassy official was quoted as saying yesterday that all Burmese embassies were believed to have been instructed by the Foreign Ministry to suspend indefinitely visas for tourists.

However, he said that the embassy is still issuing visas to those travelling on business and official trips.

Meanwhile, local paper "THE NATION" reported today that widespread demonstrations in Burma have not affected cross-border trade on the Thai-Burmese border.

Local authorities were quoted as saying yesterday that the overall situation along the border was calm, and despite tightened immigration control, trading still continues.

**Casualties Reported**

*OW1008104288 Beijing XINHUA in English  
0952 GMT 10 Aug 88*

[Text] Rangoon, August 10 (XINHUA)—36 persons were shot dead yesterday in Burma as demonstrations spread to 29 cities and towns throughout the country, according to official report today.

The 29 cities and towns included Rangoon, Mandalay, Sagaing, Taunggyi, Bassein, Pegu and Prome.

Official report said that five persons were shot dead by the security forces and 55 others injured in Rangoon, the capital, during yesterday's demonstrations.

In Sagaing City, 31 persons were killed by the security forces and 37 others wounded when an estimated 5,000 demonstrators attacked a police station, according to the official report.

Some Western diplomats here estimated that over 100 persons have been killed by the security forces during the demonstrations held in many Burmese cities in the past two days.

In Rangoon, thousands of people continued to demonstrate at some places yesterday following large-scale peaceful marches on the previous day, which involved tens of thousands of people, including students, workers, monks and local residents.

The authorities announced yesterday that a curfew is imposed in Rangoon from 8:00 p.m. last evening to 4:00 a.m. this morning.

The authorities also issued an order prohibiting the gathering of people, making of speeches, marching in procession, demonstrations and causing disturbances in Rangoon.

The Ministry of Education of Burma announced yesterday that all high, middle and primary schools and teachers training colleges were closed.

The Ministry of Planning and Finance announced yesterday that public servants in state employment, factory and mill workers, Army personnel and pensioners will be given additional allowances of 30 to 45 kyats, beginning this month.

Since August 3, Wednesday, when the authorities imposed military administration in Rangoon area, 1,451 persons, including demonstrators and looters, were arrested in Rangoon, according to official report.

The situation in Rangoon this morning appeared calm, but not normal, with most shops in the downtown area closed.

**Sihanouk To Visit UK for Talks With Thatcher**

*OW0808092288 Beijing XINHUA in English  
0554 GMT 8 Aug 88*

[Text] London, August 8 (XINHUA)—Samdech Norodom Sihanouk is to visit London in October for talks with British Prime Minister Margaret Thatcher, British newspapers reported today.

Samdech Sihanouk revealed the news on Sunday just before the arrival of Mrs Thatcher at a refugee camp in Thailand near the Kampuchean border.

Mrs Thatcher was the first British prime minister to visit Thailand and her meeting with Sihanouk was also the first between the two leaders.

Sihanouk will visit London on October 25-26, the newspaper said.

Mrs Thatcher stated at the camp that "we want to see an independent Cambodia (Kampuchea) with a freely elected government, secure and at peace with its neighbours. We believe that Your Royal Highness has a crucial part to play in achieving this and you have our full support."

She also urged the withdrawal of Vietnamese troops from Kampuchea and said the Soviet Union has a key role to play in this respect.

"I have told Mr Gorbachev that the Soviet Union—which every year gives massive military and economic support to Vietnam—holds the key to Vietnamese withdrawal from Cambodia," she said.

"We shall persist in this message until Moscow and Hanoi have truly heard it," she added.

### Sihanouk Holds Talks With Japanese Leaders

**Meets Takeshita**  
*BK0908130788 Beijing XINHUA in English*  
1030 GMT 9 Aug 88

[Text] Our correspondent in Tokyo reports that on the night of 8 August, Samdech Sihanouk, who is on visit to Japan, held talks with Japanese Prime Minister Takeshita Noboru.

The two sides agreed that to resolve the Cambodian problem, Vietnam should quickly withdraw its forces. During the talks, Prime Minister Takeshita Noboru said Japan will continue to support Samdech Sihanouk's efforts aimed at achieving peace and is happy to demand that Vietnam quickly withdraw its forces.

After the meeting, Samdech Sihanouk told reporters that he will hold talks for the third time with the Heng Samrin authorities' representative in November in Paris.

Samdech Sihanouk left Bangkok for Tokyo on the morning of 8 August for an unofficial visit at the Japanese Government's invitation. A report says that Samdech Sihanouk will hold talks with Foreign Minister Uno Sosuke and former Prime Minister Nakasone Yasuhiro on peace in Cambodia.

### Received by Uno

*OW0908174588 Beijing XINHUA in English*  
1201 GMT 9 Aug 88

[Text] Tokyo, August 9 (XINHUA)—Japanese Foreign Minister Sosuke Uno told Kampuchea's Samdech Norodom Sihanouk here today that Japan wants to contribute to the peace process in Kampuchea.

According to Foreign Ministry officials, Uno said that Japan is willing to fund peace-keeping forces, send personnel and materials for an international supervisory commission, and train workers after peace is restored to the war-torn country.

Sihanouk said he welcomed the Japanese offer. He also expressed hope that an international peace conference can be convened as proposed by U.N. General Secretary Javier Perez de Cuellar and that an international supervisory commission can be established.

Japan will work toward that end, Uno said.

Sihanouk told Japanese reporters after talks with Japanese Prime Minister Noboru Takeshita and Uno that his visit was important because of the Japanese support he gained.

Sihanouk met with Takeshita Monday evening; he will leave Japan on August 15.

**Meets Japan's Abe**  
*OW1008014788 Beijing XINHUA in English*  
1512 GMT 9 Aug 88

[Text] Tokyo, August 9 (XINHUA)—Visiting Kampuchean Prince Norodom Sihanouk told Liberal Democratic Party [LDP] Secretary General Shintaro Abe here today that he suggested the convocation by the end of this year of an international conference on the Kampuchean conflict.

Sihanouk, who met Abe for some 90 minutes, said such an international conference can take place if Vietnam withdraws its troops from Kampuchea within this year, local press reports said.

The 65-year-old former Kampuchean head of state has advocated convening an international meeting to be attended by the 5 permanent members of the United Nations Security Council, the 6-member Association of Southeast Asian Nations (ASEAN), Japan, India, Australia, Vietnam, Laos, and the 4 warring Kampuchean factions.

The meeting is designed to discuss establishment of an international control commission to guarantee the neutrality and security of Kampuchea.

Abe, who served as foreign minister between 1982 and 1986, offered support for Sihanouk's peace efforts to bring about a political solution to the 9-year-old conflict in Kampuchea.

Before the talks, Foreign Minister Sosuke Uno told Sihanouk that Japan will invite promising followers of Sihanouk to Japan as trainees as part of its efforts to help rebuild the war-torn Indochinese country.

The training program would be designed to turn out medical doctors, teachers, engineers, and skilled workers, the minister said.

Sihanouk also met Japanese Crown Prince Akihito here today.

Prince Akihito said he hopes peace will be restored in Kampuchea as soon as possible.

**Malaysia Hopes for Early Cambodian Settlement**  
*OW1008053888 Beijing XINHUA in English*  
*1459 GMT 8 Aug 88*

[Text] Hong Kong, August 8 (XINHUA)—Malaysian Prime Minister Mahathir Mohamed today expressed the hope that the formation of a working group during the Jakarta informal meeting (JIM) among the four warring factions in Kampuchea would hasten a political solution to the Kampuchean problem, OANA-BERNAMA reported from Malaysian capital city of Kuala Lumpur.

Foreign Ministry Deputy-Secretary General Abdul Majid Mohamed was quoted by OANA-BERNAMA as saying Mahathir hoped the efforts of the working group would help bring about an independent, sovereign and neutral Kampuchean government soon.

Abdul Majid was briefing newsmen on the talks between the prime minister of the Coalition Government of Democratic Kampuchea (CGDK), Son Sann, and Mahathir in Kuala Lumpur.

The working group, comprising senior officials of the four Kampuchean factions, as well as Vietnam, Laos and ASEAN, is expected to submit its recommendation to the various parties by December. The group is to study aspects for a negotiated solution to the Kampuchean problem.

While Mahathir appreciated that a solution could not be found overnight, he noted that the factions had gone into the initial stage of finding a settlement.

Son Sann, who is the president of the KPNLF [Khmer People's National Liberation Front], told Dr Mahathir of his desire to see a political solution to the problem and that one of the main priorities was to reduce the sufferings of the Kampuchean people.

**Thailand To Seek More Balance in Foreign Policy**  
*OW1008013488 Beijing XINHUA in English*  
*2351 GMT 9 Aug 88*

[“Roundup: New Thai Coalition Government Formed (by Huang Yong)”—XINHUA headline]

[Text] Bangkok, August 9 (XINHUA)—A coalition government led by Chat Thai Party's leader Chatchai Chunhawan, was officially formed here today.

Chatchai thus became the country's 17th prime minister since 1932 and the first elected prime minister in 12 years.

The new coalition government comprises four former ruling parties—Chat Thai, Social Action, Democrat and Ratsadon as well as two former opposition parties—United Democracy and Muanchon, commanding 230 seats out of 357 seats in the House of Representatives.

Of the 44 portfolios in the new cabinet, Chat Thai Party, the biggest ruling party, holds 17 minister and deputy minister posts including defense, interior, industry, finance, university affairs and justice. Social Action Party holds 11 posts including foreign affairs, communication, and commerce; Democrat 10 posts, and Ratsadon four posts including deputy prime minister.

The United Democracy and Muanchon parties' leaders hold the posts of ministers to the prime minister's office.

Prime Minister Chatchai holds the portfolio of defense concurrently while Social Action Party's leader Sitthi Sawetsila retains the post of foreign minister.

Thailand held its 15th general elections on July 24, in which a total of 16 parties participated but none of them emerged as a majority. Chat Thai Party won 87 seats in the elections, the biggest number of seats among all parties, followed by Social Action with 54 seats and Democrat 48 seats.

After the elections, the four former ruling parties and a former opposition United Democracy Party began gearing for the formation of new coalition government.

Under a “gentleman agreement” after the dissolution of the House, the five parties agreed to form a new coalition government after the elections and support former Prime Minister Prem Tinsulanon to remain one more term in the office. However, the offer was not accepted by Prem, and Chatchai Chunhawan was nominated to replace him. Chatchai's nomination also received support from the newly-formed Palang Dharma Party and former opposition Muanchon party.

Meanwhile, some former opposition parties challenged the nomination of Chatchai by proposing Social Action Party's leader Sitthi Sawetsila as prime minister instead. Their efforts, though in vain, had made things complicated for a time.

Finally, Chatchai was officially nominated as new prime minister by king Phumiphon Adunyadet on august 4 while the new cabinet was approved today.

The commander-in-chief of Thai Army, Chawalit Yongchayut, has reaffirmed his pledge to support the new government by calling on all Army personnel to "obey orders issued by the government."

After the formation of the new government, people are now paying attention to the policies it will follow. Observers here are of the opinion that the new government will continue the economic policies implemented by the previous administration. Chatchai was quoted as saying that "the main policies of the new government would stress economic development, particularly improving living standards for rural poor and increasing the minimum wage for labor."

On the foreign policy, a Foreign Ministry source was quoted as saying that the new government will seek "more balanced relations" with the United States, the Soviet Union and China.

Chatchai has also promised that his government will try to make the Kampuchean problem to be solved as soon as possible.

Although Thailand has witnessed a rapid economic growth in the recent years and the new government will try to make the country more prosperous, observers here hold that some problems are awaiting it to solve.

**Thatcher Confers With Thailand's Prem, Chatichai**  
*OW0808182988 Beijing XINHUA in English*  
*1809 GMT 8 Aug 88*

[Text] Bangkok, August 8 (XINHUA)—Thai caretaker government Prime Minister Prem Tinsulanon this evening called again for a political settlement of the Kampuchea problem.

The prime minister made the call in his speech at a dinner in honor of British Prime Minister Margaret Thatcher at the Government House here.

He said, the countries of the Association of Southeast Asian Nations (ASEAN) continue "to be a force for peace and stability in the region. We have a shared interest with Britain and others in wishing to see a just political settlement to the Kampuchean problem, which over the past nine years has been the major obstacle to peace and security in Southeast Asia."

He stressed the need to maintain resolute in bringing about a long sought political settlement.

In her speech, Margaret Thatcher said Britain has joined Thailand "in pressing for the withdrawal of Vietnam from its unjust occupation of Cambodia (Kampuchea)."

Referring to cooperation between the two countries, the two prime ministers hoped that cooperation between the two countries in the economic area and other fields will further develop.

Mrs. Thatcher arrived here on August 6. She held talks with Prem and his successor Chatichai Chynhavan in the morning and was granted an audience by the king and queen of Thailand this afternoon.

She will leave here for home tomorrow morning.

**Favors UN Role in Cambodia**

*OW0808201488 Beijing XINHUA in English*  
*1529 GMT 8 Aug 88*

[Text] Bangkok, August 8 (XINHUA)—British Prime Minister Margaret Thatcher said here this evening that her discussions with Thai leaders were "largely concerning Cambodia (Kampuchea)."

She has suggested cooperation among the five permanent members of the United Nations in finding a solution to the issue

The British prime minister told a press conference that she suggested to Thai Prime Minister Prem Tinsulanon during their talks today that "the five permanent members might be asked to take a close interest in promoting a settlement to the Cambodian problem."

"Prime Minister Prem welcomes the idea and I shall pursue it when I return home," she said.

Mrs. Thatcher said, "We all agreed that the aims should be to secure the withdrawal of the Vietnamese and a political settlement which gives Cambodia a stable and secure government."

The British prime minister arrived here on August 6 for a three-day visit as guest of the Thai Government. She visited a Kampuchean refugee camp in northeastern Thailand yesterday, where she had discussions with Samdech Norodom Sihanouk.

Sihanouk left Thailand last night after his two-day private visit to the country. Mrs. Thatcher disclosed at the press conference that she will meet Sihanouk again in London in October this year when he visits Britain.

When visiting the refugee camp yesterday Mrs. Thatcher said that it was to be hoped that Vietnam would pull out from Kampuchea "for the sake of Kampucheans everywhere and indeed for the sake of Vietnam, who have paid dearly for their leaders' mistake."

But she stressed that "we have yet to see the Vietnamese withdraw as they say they will, and as they must." Mrs. Thatcher will leave here for home tomorrow morning.

**Trade Show Opens in Wellington, New Zealand**  
*OW0808140888 Beijing XINHUA in English*  
*1233 GMT 8 Aug 88*

[Text] Wellington, August 8 (XINHUA)—“China Expo'88”, the biggest trade promotion exhibition staged by China in New Zealand since the establishment of diplomatic relations between the two countries in 1972, was ceremoniously opened here this afternoon.

A total of 50 Chinese trade representatives have come to New Zealand for business talks during the week-long exhibition in Wellington, to be continued in the country's largest commercial and industrial center of Auckland from August 29 to September 5.

The Expo aims to contribute to correcting a bilateral trade imbalance of four to one in New Zealand's favor, according to Chinese Embassy sources here.

New Zealand's exports to China in 1986-87 totalled 425.3 million New Zealand dollars (259.7 million U.S. dollars)—principally wool, aluminium and pulp and paper—but imports, mainly textiles, amounted to just 84.7 million dollars (58.9 million U.S. dollars).

On display are a wide range of Chinese goods not currently being imported into New Zealand, including electronics, light industrial goods, chemicals, medicines and health products, textiles and arts and crafts.

The Expo also includes reproductions of a group of 2000-year-old terracotta warriors and horses and of a bronze chariot, all unearthed near the mausoleum of Emperor Qin Shi Huang of the Qin Dynasty in Xian, northwest China. These stand in striking contrast with fashion shows, providing New Zealanders with a glimpse of Chinese culture in both ancient and contemporary forms.

Speaking at the opening ceremony, Minister of Overseas Trade and Marketing Mike Moore said his country's commercial relations with China were supported by a sound political relationship and a widening range of contacts in cultural, sporting and other fields.

He said the two countries were well on the way to achieving a target of total two-way trade of 454 million New Zealand dollars (315.5 million U.S. dollars) by 1990.

On his part, Jia Shi, chairman of the China Council for the Promotion of International Trade (CCPIT), said that the economic and trade relations between the two countries had developed very smoothly.

He said with the implementation of China's coastal area development policy and the further development of China's export-oriented economy, prospects for cooperation between the two countries would be very bright.

Jia is leading a visiting ten-member high-powered trade delegation from the CCPIT, a national non-governmental foreign trade and economic organization.

The Expo is organized by the CCPIT at the invitation of the Department of Trade and Industry.

Six other government ministers as well as Mayor of Wellington Jim Belich attended the opening ceremony.

**New Zealand Minister Cited**  
*OW0908011988 Beijing XINHUA in English*  
*1335 GMT 8 Aug 88*

[Text] Wellington, August 8 (XINHUA)—New Zealand's commercial relations with China were supported by a sound political relationship and contacts in culture, sporting and other fields, Minister of Overseas Trade and Marketing Mike Moore said today.

He was addressing the opening ceremony of the biggest trade promotion exhibition staged by China in New Zealand since the establishment of diplomatic relations between the two countries in 1972.

China is New Zealand's fifth largest export market, next to the United States, Japan, Australia and Britain, and accounted for 3.5 percent of total New Zealand exports in 1987-88, according to Moore.

He said there was a diverse range of commercial cooperation, including processing and assembly operations, investment and joint ventures in each other's economies, and forms of countertrade.

One product with the potential to greatly increase the total value of China's exports to New Zealand was petroleum, he said.

In 1987-88 petroleum imports from China increased by more than 150 percent to reach a level of 22 million New Zealand dollars (15.3 million U.S. dollars), making it the second biggest individual item imported from China after textiles.

He said China's application to resume membership of the General Agreement on Tariffs and Trade (GATT) was supported by New Zealand.

**Near East & South Asia**

**Sino-Libyan Diplomatic Anniversary Marked**  
*OW0908151888 Beijing XINHUA in English*  
*1350 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—People from various walks of life, together with members of the People's Bureau of the Great Socialist People's Libyan Arab Jamahiriya in China, attended a reception here today to mark the tenth anniversary of the establishment of diplomatic relations between China and Libya.

Zhou Peiyuan, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, was present at the reception, which was sponsored by the Chinese People's Association for Friendship With Foreign Countries.

Hu Hongfan, vice president of the host association, and Abdulhamid Sed Zentani [name as received], secretary of the People's Committee of the People's Bureau here, addressed the reception.

Both of them expressed satisfaction with the positive development of the friendly relations and cooperation between the two countries based on the five principles of peaceful coexistence over the past ten years.

Chinese President Yang Shangkun and Libyan leader Mu'ammar al-Qadhdhafi have respectively received messages of congratulations for the occasion from the Libyan-China Friendship Association and the Chinese People's Association for Friendship With Foreign Countries.

#### **Academic Degree Accord Signed With Sri Lanka**

*OW1008043188 Beijing XINHUA in English  
0001 GMT 10 Aug 88*

[Text] Colombo, August 9 (XINHUA)—A protocol on the mutual recognition of the equivalence of degrees and other education certificates was signed here today between China and Sri Lanka.

Signed the protocol were Stanley Kalpage, secretary of Higher Education Ministry of Sri Lanka, and Zhang Ruijie, Chinese ambassador to Sri Lanka.

Looking back over 30 years of exchanging students studying abroad, the two sides showed satisfaction for work on this field and expressed desire to further strengthen cooperation on the education field.

However, due to different educational systems and other aspects, Sri Lanka did not recognize academic degrees of Sri Lankan students studying in socialist countries. Therefore, these Sri Lankan students, although qualified, found it difficult to find work and sometimes were discriminated on salary and other issues. After three years of negotiations, China and Sri Lanka signed a draft concerning this matter in 1987 and signed the protocol this year.

Both sides expressed satisfaction to the settlement of this problem saying it will benefit both sides. Exchange of students between the two countries has increased since 1982. Sri Lankan students mainly select engineering and medicine, while Chinese students are engaged in language, Buddhism and other fields. However, the two sides have often adjusted branches of learning to meet different needs.

The protocol is the second one Sri Lanka signed with a socialist country. Sri Lanka has signed a similar agreement with the Soviet Union.

#### **154 Sri Lankan Tamil Militants Arrested in India**

*OW0908231388 Beijing XINHUA in English  
0931 GMT 9 Aug 88*

[Text] New Delhi, August 9 (XINHUA)—One hundred and fifty-four Sri Lankan Tamil militants have been arrested by the Indian police in the southern Indian state of Tamil Nadu, local press reported today.

67 LTTE (Liberation Tigers of Tamil Eelam) activists were taken into custody yesterday from their residences in south Madras, (capital of Tamil Nadu).

Kittu, former Jaffna (northern Sri Lanka) regional commander of LTTE, however, continues to be under house arrest at his residence in south Madras.

68 Sri Lankan Tamil militants were arrested in Madurai and 19 others elsewhere in the Indian state.

Observers here pointed out that the crackdown on the LTTE came in the wake of a statement by Indian Prime Minister Rajiv Gandhi, saying that the LTTE cannot expect the Indian Government to take a soft line on the (Sri Lankan Tamil) militants.

Addressing a public meeting at Mannarkudi in Tanjore District on August 5, Gandhi said it was time for the LTTE to stop fighting, surrender arms and accept the Indo-Sri Lanka accord (signed in July 1987).

#### **Pakistani President, Sri Lankan Minister Meet**

*OW0908143188 Beijing XINHUA in English  
0756 GMT 9 Aug 88*

[Text] Islamabad, August 9 (XINHUA)—Pakistan President Mohammad Ziaul Haq met visiting Sri Lankan Foreign Minister Abdul Carder Shahul Hameed last night in Rawalpindi, twin city of the capital Islamabad.

It was reported that the Pakistan president exchanged views with Hameed on matters of common interest with particular emphasis on strengthening bilateral ties between Pakistan and Sri Lanka.

Hameed reportedly delivered a message to Ziaul Haq from Sri Lankan President Junius Richard Jayewardene.

Soon after his arrival here yesterday, Hameed met Pakistani Foreign Minister Sahabzada Yaqub Khan.

It was learned that matters relating to the SAARC (South Asian Association for Regional Cooperation) foreign ministers conference to be held in Kathmandu on August 11 were discussed by them.

The question of establishing a peace environment in the region was also reviewed at their meeting.

Hameed briefed Yaqub Khan about activities of Tamil guerrillas in Sri Lanka and the efforts to resolve the issue, while Yaqub Khan informed the visiting Sri Lankan foreign minister of the progress regarding the implementation of the Geneva accords on Afghanistan.

**Pakistan's Ziaul Haq Comments on Soviet Withdrawal**  
*OW1008153688 Beijing XINHUA in English  
1342 GMT 9 Aug 88*

[Text] Islamabad, August 9 (XINHUA)—Pakistan President Mohammad Ziaul Haq said today that withdrawal of the Soviet troops from Afghanistan is in progress according to schedule.

Talking to reporters at the airport on his arrival in Lahore, the second largest city in the country, Ziaul Haq said that a statement he made sometime ago about the fresh arrival of Soviet troops in Afghanistan was not a speculation but was based on information from reliable sources.

He noted that he had only made that information public.

The president said that as of now the pullout of the Soviet troops is going on in accordance with the schedule.

Under the U.N.-mediated Geneva agreement on Afghanistan signed on April 14, the Soviet Union will withdraw its troops from Afghanistan within nine months starting on May 15. Half of the estimated 115,000 Soviet troops will be pulled out in the first three months.

Reports reaching here today said that the Soviet Union has started withdrawing its troops from Kabul, capital of Afghanistan. A convoy consisting of 500 soldiers and 100 vehicles left for the Soviet Union yesterday.

**More on Mideast Visit of U.S. Envoy Murphy**

**Meets With Jordan's Husayn**  
*OW1008093888 Beijing XINHUA in English  
0040 GMT 10 Aug 88*

[Text] Amman, August 9 (XINHUA)—King Husayn of Jordan met U.S. envoy Richard Murphy here today and explained his recent move to sever legal and administrative ties with the West Bank.

According to the official Jordanian News Agency (PETRA), during the meeting, Murphy, U.S. assistant secretary of state for Near East and South Asian Affairs, briefed the king on the outcome of talks he held last week in Geneva with the Director for Foreign Affairs at the Soviet Foreign Ministry Vladimir Polyakov on a number of international issues.

The U.S. official, PETRA said, told the king that they discussed the Middle East problem, the efforts exerted for holding an international Mideast peace conference, the latest developments of the Iraq-Iran war, and the

efforts aimed at realising a ceasefire between the two Gulf warring states, as well as direct negotiations between them for concluding a peaceful solution to the conflict.

In a departure statement, Murphy told reporters that "we are going to continue to work with Jordan and other Arab states to try to advance through negotiations a comprehensive peace," despite King Husayn's decision to sever ties with the West Bank.

He said Jordan's commitment to the Palestinian issue and to seek peace has been manifested for many years and he did not hear any suggestion that Jordan was in any way backing away from that commitment.

Asked whether Washington would recognize a Palestinian Government-in-exile, Murphy said this is just too hypothetical for him to answer. "As far as I know there is no decision to form such government," he added.

Jordanian Prime Minister Zayd al-Rifa'i received Murphy earlier today.

Murphy arrived here Monday coming from Tel Aviv for a two-day visit to Jordan. It was reported one of the aims of his visit was to get a clearer idea on how much King Husayn intends to disengage Jordan from the West Bank, both legally and administratively.

He left here this afternoon for Egypt.

**Won't Meet Palestinians in Cairo**  
*OW1008102288 Beijing XINHUA in English  
0601 GMT 10 Aug 88*

[Text] Cairo, August 9 (XINHUA)—Richard Murphy, U.S. assistant secretary of state for Near East and South Asian Affairs, said tonight that he will not meet Palestinians here.

After meeting with the Egyptian Deputy Prime Minister and Foreign Minister Ahmad 'Ismat 'Abd al-Majid, Murphy said the United States has held talks with the Palestinians in Washington and Jerusalem and will make contacts with them.

He expected that the Palestinians would play an active role in achieving peace in the Middle East at the different stages.

Murphy, who arrived here from Amman this afternoon, said he and the Egyptian foreign minister discussed the peace process in the Middle East and the problem of how to promote peace efforts.

The visiting U.S. envoy added that he welcomed Iran's acceptance of the UN Security Council Resolution 598 calling for ceasefire in the Gulf war and the decision made by King Husayn of Jordan to sever the legal and administrative links with the West Bank and Gaza Strip.

Majid told reporters after the meeting that the United States should continue to play a role in realising peace in the Middle East, adding "we will make contribution to peace process."

The Middle East News Agency reported that Majid and Murphy exchanged views on the eight-year-old Gulf war and discussed the outcomes of Murphy's Middle East tour which has taken him to Lebanon, Syria, Israel and Jordan.

### Reportage on Reaction to Gulf Truce Agreement

#### News Hailed in Iraq

OW0908080588 Beijing XINHUA in English  
0622 GMT 9 Aug 88

[“News Feature: Iraqis: ‘We Pray Peace Will Be Permanent’ (by Lu Jianxin and Liu Shun)”—XINHUA Headline]

[Text] Baghdad, August 8 (XINHUA)—Fifteen minutes after U.N. Secretary General Javier Perez de Cuellar announced on Monday that a cease-fire to the eight-year-old Gulf war will go into effect August 20, Iraqis swarmed into the streets of Baghdad, dancing, clapping hands, and chanting slogans.

Soldiers shot thousands of tracer bullets into the air, leaving trails of smoke so dense that colourful rainbows appeared in the sky, like those formed from holiday bonfires. For a moment, the sky over Baghdad lightened as if it were daytime.

People in Baghdad paraded spontaneously in the streets, embracing and congratulating one another on the occasion. The official Iraqi news agency reported that similar parades took place simultaneously in all other major cities of the country.

The news of the U.N.-sponsored cease-fire has brought smiles to the faces of Iraqis encountered in the streets, in government offices and in homes. Most seemed more than willing to discuss it.

Families of the soldiers still on the warfront were most excited by the news. An old man who is illiterate grasped and firmly shook the hands of XINHUA reporters when he was told the cease-fire date. “Thank you. This is good news,” he said. The old man has lost three sons on the warfront and is gratified that no further blood will be shed by his other children.

Intellectual circles in Baghdad moderated their happiness, however, with some prudence. They pointed out that cease-fire may be only the first step and that tough negotiations with Iran remain on the withdrawal of troops, exchanges of prisoners of war, and other “thorny issues.”

Among these, according to political analysts, is the question of sharing the Shatt al ‘Arab waterway and determining who actually started the war. These may be expected ultimately to cause the hottest arguments between the two nations.

“We enjoy the happiness of an imminent cease-fire, but we also sense difficulties in the future negotiations between our representatives and the Iranians. We pray, peace will be permanent,” was the comment of an intellectual who asked not to be identified.

Another described his feelings at the news of cease-fire: “We are like those who have just experienced a terrible storm and feel tired. We need a good rest and now we can have it.”

Government officials, on the other hand, spoke of Iraq’s real intention for peace, and observed that Iran’s sincerity is also vital to a permanent peace.

“We think that our government wants peace. We hope Iranians are talking with their hearts,” officials in the Culture and Information Ministry said.

They also stressed that Iraq’s decision to accept a cease-fire before direct talks is a good-will gesture which in itself manifests Iraq’s attitude toward peace.

Then there are the Baghdadiers [as received], industrialists, businessmen and technicians, who say they are anticipating economic prospects after the war.

A high-ranking official of the Ministry of Industry and Arms told XINHUA several days before the cease-fire date was announced that when the war ended, Iraq would be “able to devote itself to constructing national economy.”

An electric engineer said that people in his work unit expect the development of circumstances in which they can devote their talents to the country’s construction, and some businessmen and entrepreneurs in Iraq’s private economic sector are hoping for more direct trade with foreign companies under the country’s reconstruction program.

The eight-year-old Gulf war has inflicted more than a million casualties on both nations, and in Iraq, intact families are now rare. In addition to human losses, there has been a direct economic loss estimated at 700 billion U.S. dollars, not including 200 billion dollars spent by both sides on military expenditures.

On July 18, Iran announced its acceptance of UN Resolution 598 calling for terminating the Gulf war. On July 20, Iraq proposed face-to-face talks with Iran, but Iran demanded that a cease-fire take place first. This led to a temporary deadlock in the New York negotiations conducted by UN Secretary General Perez de Cuellar and Iran and Iraq representatives.

10 August 1988

Last Saturday, Iraq took a positive step by agreeing to a cease-fire first on the condition that Iran accept direct talks right after the cease-fire.

**Holiday Atmosphere in Baghdad**  
*OW1008094488 Beijing XINHUA in English  
 0140 GMT 10 Aug 88*

[Text] Baghdad, August 9 (XINHUA)—Today, for the first time after eight years of war, guns were silenced along the Iran-Iraq borders, Iraqi radio and TV reported.

Although the U.N.-sponsored cease-fire will be effective on August 20, according to an announcement made Monday by U.N. Secretary General Perez de Cuellar, Iraq today did not take any military action against Iran.

Meanwhile, reports from Tehran said that Iranian leadership has ordered the Iranian troops not to stage first strike against Iraq.

The peaceful stand taken by the two sides before the cease-fire day, was widely and highly evaluated here.

Diplomatic sources here pointed out that the actual cease-fire before August 20 may greatly help the coming direct negotiations between the two belligerent parties, which are scheduled on August 25, in Geneva under the U.N. sponsorship.

People in the capital are indulged in an atmosphere of holidays. The heat wave here prevented people from celebrating the cease-fire during the day time yesterday. Therefore, the citizens swarmed into the streets in the evening and stayed there till this morning. They danced with masks on their faces. In some main streets it was difficult to drive a car through the crowds.

Right after the cease-fire day was announced, the Iraqi Government decided to permit every citizen three days' leave as holidays.

An Iraqi intellectual told XINHUA this morning after eight years of war, the Iraqi people need a good rest.

**Kuwaiti To Fly to Moscow**  
*OW1008101488 Beijing XINHUA in English  
 0545 GMT 10 Aug 88*

[Text] Kuwait, August 9 (XINHUA)—Kuwaiti Deputy Premier and Foreign Minister Shaykh Sabah al-Ahmad al-Jabir al-Sabah is to fly to Moscow tomorrow as part of the efforts of the Arab 7-member committee to help ending the Gulf War. This was announced here today.

The Arab 7-member committee, composed of foreign ministers of Iraq, Jordan, Kuwait, Morocco, Arab Yemen, Saudi Arabia and Tunisia as well as Arab League secretary general, met in Baghdad last week to discuss the new development of the Gulf war and issued a statement in which the members supported the Iraqi

## INTERNATIONAL AFFAIRS

stance for a durable and comprehensive solution to the war and decided to send delegations to the five permanent member countries of the UN Security Council.

It had sent a delegation to Washington and another delegation will arrive in Paris and London in the next few days. The Kuwaiti foreign minister will lead a delegation to the USSR.

A spokesman for the Soviet Foreign Ministry told a press conference Monday that the Soviet Union is ready for holding contacts with the 7-member committee's delegation on the development of the Gulf war, especially after the UN chief's announcement of the date of cease-fire and direct negotiations between Iran and Iraq.

**Commentary on Peace Efforts**  
*HK1008033788 Beijing RENMIN RIBAO  
 OVERSEAS EDITION in Chinese 10 Aug 88 p 1*

[Commentator's Article: "Happily Greeting the Iran-Iraq Cease-Fire"]

[Text] The peace efforts to terminate the Iran-Iraq war, which has lasted for 8 years, have finally achieved results. UN Secretary General Javier Perez de Cuellar announced that Iran and Iraq had officially agreed to cease fire on 20 August and hold direct talks in Geneva on 25 August. It is now possible to attain peace in the Gulf region, for which people throughout the world have longed.

The Iran-Iraq cease-fire agreement was a result of the efforts made by the leaders of the two countries through indirect talks. The two sides made a sensible decision, which is welcomed by all peoples in the world. It should be pointed out that UN Secretary General Javier Perez de Cuellar and his assistants have made great efforts to promote the cease-fire in the Gulf region, and their contributions to the peace in that region are remarkable. Not only the people in Iran and Iraq are glad to hear the good news about the cease-fire agreement, but all peace-loving peoples in the world, including the Chinese people, also heartily rejoice at this development and ardently long for the coming of the moment of the cease-fire.

Over a long time, the flames of war ruined countless lives and property. Many villages and towns of the two warring countries were turned into ruins, and their territories become fields littered with corpses. The interference of the superpowers intensified the tension and made the situation more complex. For example, the U.S. Navy downed an Iranian airliner through human error and caused a tragedy which shocked the whole world. The Gulf region was a "burning hot spot" in the world, and produced a serious and unfavorable influence on the world situation. The realization of the Iran-Iraq cease-fire will undoubtedly create an essential precondition for removing this hot spot, changing the worrying situation, and promoting the further relaxation in the world situation. After Iran and Iraq cease fire, the foreign military

forces will have no reason and no need to stay in the Gulf. They should withdraw as soon as possible so that the Gulf can really become a peaceful region.

Iran and Iraq are both Third World countries, and both are Muslim countries. There is no conflict between their fundamental interests. However, they fought against each other over the past 8 years. The war not only caused untold losses and disasters to both sides, but also affected many other countries in the Gulf region and in other parts of the world. The war caused a great drain on resources and manpower, and seriously destroyed the achievements of economic construction in the two countries. The people there experienced hardships in their daily lives. This shows that the use of military means to deal with the differences and contradictions between two countries, especially two Third World countries, will only cause grave disasters, and will not lead to the settlement of the problems. Only through peaceful negotiations can they find a correct way to solve differences and contradictions. Even though some problems cannot be solved for a time, the parties concerned should still maintain their patience and allow themselves to take more time to consider the matter. There is no need to resort to force. The Iran-Iraq war once again provided a negative example to prove that "peace is beneficial and war is harmful to both sides." The longer the war lasts, the greater losses the two sides will suffer. Only the option of burying the hatchet is in keeping with the current trend of peace and development in the world.

Iran and Iraq are both countries abounding with oil and other natural resources, and they can make use of the sea transport conveniences through the Gulf. Thus, they have a great potential for economic development. Once the war is really terminated and the water lanes in the Gulf become smooth and peaceful, the people will be able to rapidly recuperate from the wounds caused by the war, and natural resources will be developed on a larger scale. Then the economies in both Iran and Iraq will make new developments. The economic prosperity in Iran and Iraq will also promote the economic prosperity in the whole region. Iran and Iraq are also major members of the Muslim world and some Third World international organizations. Their reconciliation will undoubtedly be conducive to solidarity and cooperation in the Third World and among the Muslim countries, and will enable them to play a greater role in international affairs and to make greater contributions to world peace and stability.

The conclusion of a cease-fire agreement between Iran and Iraq was certainly a good event, but it was just the beginning of the peace process. The course from cease-fire to real peace will not be smooth, and there will still be various differences and contradictions. Nevertheless, the situation is advancing toward peace. When facing the difficulties in the peace process, the two countries should still be more patient and tolerant for the sake of peace, which represents their fundamental interests, and should closely cooperate with the UN general secretary to solve

their differences through talks. We believe that since the two countries have opened the door of peace, they will continue to advance firmly along the course of peace, and a bright future will certainly come.

### Sub-Saharan Africa

#### Commentary on Southwest African Peace Efforts *HK1008103888 Beijing RENMIN RIBAO in Chinese 10 Aug 88 p 6*

[("Short Commentary": "Southwest Africa Has Taken an Important Step Toward Peace")]

[Text] As a result of the Angolan, Cuban, U.S., and South African quadripartite talks in Geneva, the Angolan Foreign Ministry issued a communique on 8 August, announcing that Angola and South Africa would "effectively" cease hostile activities against each other so as to create the necessary conditions for further progress in negotiations. This is an important step toward the peaceful settlement of the Southwest African issue after many rounds of talks.

Southwest Africa is one of the hot spots in the world today. The heart of the Southwest African issue is the independence of Namibia and the war in Angola. Back in 1978, the United Nations adopted Resolution No 435 to condemn South Africa for illegally occupying Namibia and demanded the withdrawal of South African troops that will bring forth independence for Namibia. However, South Africa refused to implement Resolution No 435; it invaded Angola, staging a war against this country which had just secured independence. In view of South Africa's invasion, Cuba sent troops to Angola. Hence, Angola has been suffering from the sustained war in the past 13 years; the two hostile sides have been involved in military confrontation since then.

The international community has made great efforts to seek a settlement of the Southwest African issue. The parties concerned have held a series of talks since the beginning of this year, especially since last May. Angola, Cuba, South Africa, and the United States concluded, after official talks in London, Cairo, and New York, a 14-point agreement on "the principles governing the peaceful settlement of the Southwest African issue." Based on these principles, they further reached a consensus and submitted a proposal to the UN Secretary General to suggest that Resolution No 435 on Namibian independence adopted by the UN Security Council be brought into effect from 1 November this year. At the same time, Angola and Cuba have promised to work out by 1 September a schedule for the withdrawal of Cuban troops. As a positive result of the compromise between all the parties concerned in pursuit of a political solution to the regional conflict, this development deserves the appreciation of the people of the world.

All the successes that have been achieved in the whole process in pursuit of a solution to the Southwest African issue, from the first quadripartite meeting in London to the Geneva conference, have reflected the common desire of the world for peace and economic development. The Southwest African people, who have suffered the full misery of war, have a particularly strong desire for peace and stability. Angola has suffered a heavy loss of life and property in the war after its independence and has now been found itself in an economic predicament. It is eagerly longing for the restoration of peace at home and in the neighboring region and for economic development. The Namibian people are eagerly looking forward to independence through political negotiations based on the UN resolution. For a long time the South African authorities have been practicing a militaristic policy. Now that internal contradictions are being aggravated by the huge military expenses and the Namibian people's resistance, South Africa has found itself in a more and more isolated position in the world. The efforts to seek a settlement through negotiations can obviously help the South African authorities to extricate themselves from dire straits at home and abroad. As U.S.-Soviet relations have been relaxed, they are both readjusting their own African policy. The mediatory efforts by officials from both countries on the stage and behind the scenes have also facilitated the conclusion of the agreement.

What must be brought to our attention is that the present agreement has yet to be improved and implemented. People are looking forward to further efforts by all the parties concerned.

#### Liberia Lauds Chinese Aid to Health Service

**Vice President Receives Envoy**  
*OW10080112988 Beijing XINHUA in English*  
*0741 GMT 9 Aug 88*

[Text] Monrovia, August 9 (XINHUA)—Liberian Vice President Harry Moniba has praised the Chinese Government for its valuable contributions to the health service in Liberia.

He made the remarks when the new Chinese Ambassador to Liberia, Cao Yuanxin, called on him here yesterday.

The vice president said although China is a developing country she continues to assist Liberia in various programs in health, agriculture, sports and other fields.

Mr Moniba assured the Chinese ambassador of his government's cooperation in promoting cordial ties between the two countries.

**Health Minister Hosts Reception**  
*OW1008050088 Beijing XINHUA in English*  
*0114 GMT 10 Aug 88*

[Text] Monrovia, August 9 (XINHUA)—Liberian Health Minister Martha Sendolo-Belleh gave a reception here this evening in honour of the outgoing and incoming Chinese medical teams.

At the reception, the minister expressed her appreciation of the valuable assistance given by the Chinese Government to Liberia in various areas, especially in the health service. She also praised the outgoing Chinese doctors for serving the Liberian people wholeheartedly and expressed her warm welcome to the incoming team.

China sent its first medical team to Liberia in 1984. The incoming doctors are the third team.

#### Reportage on Trade Delegation's Visit to Lesotho

**Cooperation Accord Signed**  
*OW1008042988 Beijing XINHUA in English*  
*0019 GMT 10 Aug 88*

[Text] Gaborone, August 9 (XINHUA)—China and Lesotho signed in Maseru yesterday an agreement on economic and technical cooperation and a protocol on the construction of Lesotho National Convention Centre, according to a report from Maseru today.

The agreement and the protocol were signed by member of the Lesotho Military Council and Minister of Foreign Affairs, Col. Thaabe Letsie, and the head of the visiting economic and trade delegation of the People's Republic of China Mr. Lu Xuejian.

At the signing ceremony, both sides expressed satisfaction at the agreement and protocol and stressed the need for the two countries to further expand their cooperation in the economic and technological fields.

The Chinese Government economic and trade delegation, headed by Lu Xuejian who is also vice-minister of the Ministry of Foreign Economic Relations and Trade, is paying a five-day goodwill visit to Lesotho beginning August 6. The delegation will end their visit tomorrow.

**Meets Lesotho's King**  
*OW1008042588 Beijing XINHUA in English*  
*0046 GMT 10 Aug 88*

[Text] Gaborone, August 9 (XINHUA)—King of Lesotho Moshoeshoe II today received a Chinese economic and trade delegation led by Vice-Minister of China's Foreign Economic Relations and Trade Mr. Lu Xuejian in Maseru, capital of Lesotho, according to a report reaching here today.

King Moshoeshoe II told the Chinese guests that his country is satisfied with all cooperation projects with China and bilateral cooperation is limitless in all fields.

Vice-Minister Lu Xuejian, who led the delegation to Lesotho for a five-day visit beginning from August 6, stressed that the consolidation and strengthening of the Sino-Lesotho friendly relations are one of the set policies of the Chinese Government.

Mr. Lu expressed the hope that bilateral cooperation between China and Lesotho would be expanded into new areas and in new forms.

### West Europe

**FRG Claims 'No Plans' To Deploy Armed Forces**  
*OW0908091488 Beijing XINHUA in English*  
*0800 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—The Federal German Government declared Monday that it has no plans to deploy the Bundeswehr, the Federal defense forces, internationally, according to a DPA report.

A Foreign Ministry spokesman said, quoted by the report, that "the federal government's attitude toward international deployment remains one of disapproval and is categorical."

"In line with the Constitution and its current legal interpretation, the role of the Bundeswehr is restricted to the area of the Western alliance," the spokesman said.

This was probably in response to a renewed discussion on the role outside the NATO alliance of Federal Armed Forces, which have been limited by its Constitution to Federal German and Western alliance territory since World War II.

"Bonn's rejection of foreign involvement does not only apply to North Atlantic Treaty Organization operations outside alliance territory, such as in the Gulf, but also to participation in peacekeeping actions by the United Nations," the report said.

Bonn's dispatch of minesweepers to the Gulf to join the NATO presence there had arisen controversy last year.

But Defense Minister Rupert Scholz has reportedly hinted the Kohl government could not rule out a change in its present stance, saying if specifically asked to deploy

German soldiers with the UN Peacekeeping Force, Bonn would reach its decision "on the basis of justice, legislation, alliance loyalty and political expediency."

### East Europe

**CPC's Wang Renzhi Meets Polish Party Group**  
*OW0908234688 Beijing XINHUA in English*  
*1422 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—Wang Renzhi, head of the Propaganda Department of the Chinese Communist Party (CPC) Central Committee, met a six-member vacationing group from the Central Committee of the Polish United Workers' Party here this evening.

Zhu Liang, head of the International Liaison Department of the CPC Central Committee, also met the Polish visitors August 7.

The delegation arrived here July 19.

**SFRY To Allow Foreign-Owned Enterprises**  
*OW0908080988 Beijing XINHUA in English*  
*0545 GMT 9 Aug 88*

[Text] Belgrade, August 8 (XINHUA)—Yugoslavia will relax its restrictions on foreign investors and allow them to start up wholly foreign-owned enterprises in Yugoslavia.

According to a draft Constitutional amendment recently passed by a committee of the Yugoslav Federal Assembly, foreign investors can invest in Yugoslav enterprises, banks and cooperatives, set up joint ventures with Yugoslav partners or start up wholly foreign-owned enterprises.

The revised Constitution will ensure foreign investors' rights to participate in the management of the joint ventures, and to transfer profits and to withdraw investment.

Yugoslavia formulated a foreign investment law in 1967, making it the first socialist country to draw foreign capital.

However, only 187 investment contracts involving a total of 200 million U.S. dollars were signed during the years between 1968 and 1984, as a result of excessive restrictions in the investment law.

The law, which was revised twice in 1984 and 1986, still failed to attract more foreign capital with only 53 contracts signed during 1985 to 1986.

**Hu Qili on Beidaihe Meeting's Progress**  
*HK0908155188 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1456 GMT 9 Aug 88*

[Report: "Hu Qili Says Beidaihe Meeting Is Still Studying Price and Wage Reforms"]

[Text] Hong Kong, 9 Aug (ZHONGGUO TONGXUN SHE)—According to a report from Beijing, when meeting with some Chinese-language journalists from the United States in Beijing yesterday, Hu Qili, Member of the Standing Committee of the Political Bureau of the CPC Central Committee, said that the scheme for the price and wage reforms is still being studied by the State Council departments concerned, and has not yet been discussed by the Political Bureau.

Hu Qili, who just returned from Beidaihe to Beijing, met with Mr Tan Hua-huan, director of AMERICAN OVERSEAS CHINESE DAILY of New York, and Mr Chiang Tien-lung, general manager of the Apple Television, at the Fujian Hall of the Great Hall of the People on the morning of 8 August. Hu Qili told the visitors: A Chinese ancient saying goes that "when one stays inside a big mountain, one may not know the real features of this mountain." We welcome you bringing us some fresh winds from the outside world. Then, Mr Tan Hua-huan first said that people in overseas areas had various questions about China's price and wage reforms. Hu Qili said: The State Council departments concerned are now studying the questions in the price and wage reforms with some experts, and the in-depth discussions are still conducted at that level. The Political Bureau of the party has not yet discussed that reform scheme, as it has not been submitted to us. He held that various rumors and conjectures in overseas areas are obviously groundless.

Hu Qili also mentioned the irregular practice in the party and government institutions. He pointed out that we have taken measures to check the irregular practice and to maintain an incorrupt government. The Ministry of Supervision, which was established not long ago, set up telephone hot lines for complaints. This is one of the effective measures. A few days ago, we decontrolled the prices of some cigarettes and wines, and this was a measure to deal blows to the speculators, including "official speculators" and individual speculators.

At the meeting, Hu Qili also talked about the reunification between the mainland and Taiwan, the mainland's overseas propaganda work, and the issue concerning Chinese students in foreign countries.

It is learned that Hu Qili returned to Beidaihe on 9 August. This indicated that the meeting in Beidaihe is continuing.

**CPC Commission Rules on Discipline Violations**  
*OW1008061188 Beijing XINHUA in English 0538 GMT 10 Aug 88*

[Text] Beijing, August 10 (XINHUA)—The Chinese Communist Party Central Commission for Discipline Inspection has just released a set of provisional regulations on disciplinary action to be taken against Communist Party members who violate discipline in activities concerning foreign affairs or foreign nationals.

The new regulations were worked out to protect the interests of the party and the state and fight disciplinary violations and corruption in activities concerning foreign affairs or foreign nationals.

According to the 16-article regulations which went into effect July 1, the disciplinary measures which can be meted out include varying degrees of warnings from within the party, dismissal from party posts, probation, and dismissal from the party.

Violations listed in the regulations include revealing state and party secrets, not following prescribed procedures for overseas visits, and cases involving pornographic publications.

**Nuclear Fusion Study Reaches Advanced Level**  
*HK1008054288 Beijing ZHONGGUO XINWEN SHE in Chinese 0723 GMT 8 Aug 88*

[Report by reporter Xiao Longlian (5618 7893 5114): "China's No 1 Controlled Fusion Device' Reaches World's Advanced Level"]

[Text] Chengdu, 8 Aug (ZHONGGUO XINWEN SHE)—Li Zhengwu, a Chinese expert in controlled nuclear fusion, and honorary director of the 585 Institute of Nuclear Industry, revealed days ago that: The study for more than three years indicates that "China's No 1 Controlled Fusion Device" has reached and surpassed the experimental targets stipulated in the first phase of construction. This achievement illustrates that the development of China's study on controlled nuclear fusion has reached a new level.

At present, the study on controlled nuclear fusion is one of the main direction of study of the world's scientific and technical circles. On the basis of the principle that the sun and other stars will release energy, this study tries to make the instant nuclear fusion effects brought about by the explosion of a hydrogen bomb a controllable process, so that the energy released can be fully used by mankind.

"China's No 1 Controlled Fusion Device" is a controllable nuclear fusion device designed, developed, and installed by Chinese scientific research personnel. It was completed, and started operation in September 1984.

When it started operating, scientific and technical personnel conducted joint readjustment of the overall construction, and physics experimental study. The first batch of results of the experiments were obtained in 1985, and they smoothly passed state appraisal and were accepted by the state. The parameters obtained by this device in various experiments in the last year have reached and surpassed the experimental targets stipulated in the first phases of construction. The means to identify the devices of the experiments, and the equipment for obtaining various parameters were increased from a few, when it was just started, to some 20 types. Besides, it has also taken up two experimental research projects entrusted by the international atomic energy organization.

Li Zhengwu claimed that: "China's No 1 Controlled Fusion Device" has reached an advanced level compatible to that of the same device in the rest of the world.

**Phone Line Used for Reporting Corruption Cases**  
*OW908161088 Beijing XINHUA in English*  
*1102 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—A direct telephone line for reporting cases of corruption—2025391—has been ringing off the hook, with 273 calls in the past four days, a Chinese official announced here today.

Mao Chunmo, a deputy director from the Ministry of Supervision, told XINHUA that 91 calls, one third of the total, are accusations against government officials.

Set up by the ministry, the new line went into effect on August 4.

Through the hot line, people lodged complaints and accusations against officials for corruption, dereliction of duty, economic crimes, bureaucracy and retaliation.

"A few of those accused were as high as department directors, but most tended to be section chiefs," Mao Chunmo said, "we have already transferred some big cases to other departments for investigation."

Apart from those calling to file complaints, some people made calls to support the idea of a hotline and the ministry's efforts to root out corruption, while some provided suggestions and advice.

Mao said that the fact that people have shown a lot of interest in the hotline is very encouraging, adding that it has already provided investigators with a lot of constructive information.

**Commentator's Article on Accusations, Punishment**  
*HK0908100188 Beijing RENMIN RIBAO*  
*in Chinese 5 Aug 88 p 1*

[Commentator's article: "There Is a Channel To Air Accusations; Those Who Frame Others Are To Be Punished"]

[Text] The Ministry of Supervision announced a telephone line has been activated for lodging complaints, and receiving the masses' reports on illegal behavior of state personnel, and their activities that have violated disciplines.

Zhu Lianchao, deputy secretary of the Standing Committee of the People's Congress of Dalian, and director of the General Office of the People's Congress of Dalian, was expelled from the party, and was discharged from public employment for framing others.

These two pieces of news have made people happy.

Originally, there was no linkage between these two pieces of news. However, there are certain relations between them. These cases have just manifested the stipulations of Article 41 of the Constitution of the PRC: Citizens of the PRC have "the right to pass to relevant state organs complaints and charges against, or exposures of, any state organ or functionary for violation of the law or dereliction of duty; but fabrication or distortion of facts for the purpose of libel or frame-up is prohibited."

Over the years, since the legal system was not perfect, the right of the citizen to lodge complaints has not been protected. It has been a common phenomenon that people do not have a channel to air their accusations. Currently, the installation of the telephone line for lodging complaints, and the establishment of corruption-report centers have developed a channel for the masses of people to exercise the right of lodging complaints, which is granted by the Constitution, and have put state organs and the work of the personnel of state organs under the supervision of the masses.

Some people worry that people may use these channels to frame others. Some people even said that: "In the past, a letter with an eight fen stamp could put you under rectification for half year. Now, a telephone call, which costs only four fen, can put one under rectification for half year." Of course, we cannot say that this type of worry is groundless. It is a crime to frame others. People who make use of reporting to frame others are to shoulder the legal responsibilities of such moves. Zhu Lianchao is an example. However, we should not give up eating because of fear of choking, and should not ignore the reporting right of the masses of citizens, which is granted by the Constitution, because of fear of the emergence of people who may frame others.

The setting up of report centers to receive peoples' reports is a new work. We can believe that government departments at all levels will cautiously carry out this work in accordance with the clearly defined legal procedures.

**Supervision Ministry Urges Clean Government**  
*OW0908144588 Beijing XINHUA in English*  
*1408 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—The Chinese Government has decided to bring lawbreakers, extortionists and bribe takers among its personnel to justice. Wei Jianxing, minister of supervision, announced here today.

He said: "This is part of the central government's efforts to crack down on corruption and ensure clean and honest government."

Addressing supervisors from 46 state commissions, ministries and departments, Wei stated: "It is my ministry's present and long-term task to supervise governments at all levels to make sure they are all clean and honest."

He called on the 20,000 supervisors all over the country to investigate and handle the problems which vex people. "Flagrant abuses should also be publicised," he said.

The minister urged supervisors: "Adhere to principles, be upright and never stoop to flattery. Also, eschew any tendency toward nepotism."

He noted: "Social discipline and attitudes depend on the actions of leading officials. This is of vital importance for the nationwide reform, opening to the outside world and modernization program."

The central authorities are placing great emphasis on clean and honest government, he added.

While handling corruption and bribery, he said, the Ministry of Supervision will also make efforts to investigate other problems such as economic waste, profiteering and other problems resulting from official misdeeds.

The ministry will work out new laws and regulations while beefing up the force of supervisors, Wei further noted.

At the same time, he urged local authorities to establish reporting centers for people to register complaints about corruption in capital cities, special economic zones and cities open to foreign investment by August or September this year.

**Commentator's Article on Spiritual Civilization**  
*HK0908150688 Beijing RENMIN RIBAO in Chinese*  
*6 Aug 88 p 1*

[Commentator's article: "A Vital New Force in Building Spiritual Civilization"]

[Text] China's reform has reached a critical time. The old system is changing into a new system, and the old order is transforming into a new order. To a certain extent, reform is to develop a new civilization, which consists of material and spiritual civilization. Scientific technology is a right and important foundation stone for the building of a modern and new socialist commodity.

Seventy years ago, when the torch of the "May 4th" new cultural movement was lighting the dark nights of China, the banners of "science" and "technology" were held high. Modern scientific technology, which is associated with modern industry, represents a new civilization. In the early stage of the building of modern scientific technology, Marx and Engels recognized that it is a revolutionary force in constructing the new world. Scientific technology itself is an outstanding revolutionary builder. Because it is a means of understanding and reforming the world, it can create a huge amount of material wealth for society; and being a learning system and concept, it will profoundly affect people's spiritual world. Concepts of value, modes of thinking, norms of behavior, and so on.

At present, China has gone through 10 years of reform and opening up, and the level of spiritual civilization of the whole society has been greatly raised. Democratic and scientific spirits, and fair competition and the concept of bringing forth new ideas, which are essential to the building of a socialist commodity economy, are becoming the prevailing practice of the period; and people who have ideals, moral character, and culture, and are disciplined, are growing up. However, in the clashes between the old and the new, some feudal and superstitious, ignorant and backward, hideous and corrupted phenomena appear now and then in society, and narrow and conservative views are still obstacles to reform. It is true that there are historical social reasons for the emergence of these things, which are contradictory to spiritual civilization. However, the emergence of these things, to some extent, is related to the general low scientific and cultural level of the members of the Chinese society. Nowadays, to strengthen the popularization of scientific education, to propagate scientific thinking and to promote scientific spirit in the whole society, to widen people's field of vision are doubtlessly a basic construction of spiritual civilization.

The popularization of scientific knowledge and the propagation of scientific thinking should depend on the masses of scientific and technical personnel. Over the years, the China Association for Science and Technology, which has some four million professional society

members and some four million ordinary scientific society members, has organized members to go down to factories and rural areas, to organize talks and exhibitions, and to set up general scientific schools. It emphasizes both the practice of helping the poor and the practice of removing ignorance, and has become a rare vital new force in building material and spiritual civilizations. China has a contingent of specialized scientific and technical personnel, which consists of about ten million people. Surrounding this contingent is an agricultural and industrial force which has far more members and is enthusiastic in science and technology. Once when they take action, together with the actions taken by the mass media such as newspapers and periodicals, broadcasting, television and so on, to propagate science and technology, and civilization, they will play an incalculable role in the undertakings of China's four modernizations.

**Provincial Differential Elections Praised**  
**HK0908065988 Beijing RENMIN RIBAO in Chinese**  
**29 Jul 88 p 1**

[Article by RENMIN RIBAO reporter Yang Zhenwu [2799 2182 2976] and Song Shiqi [1345 0013 3823]; "A Successful Practice of Democratic Political Construction—Commenting on the Work of Electing Provincial Leading Bodies for New Terms of Office Across the Country"]

[Text] The work of electing provincial leading bodies for a new term of office across China, which is conducted every 5 years, has been completed. The new leading groups for the people's congresses, governments, and CPPCC in 28 provinces, autonomous regions, and municipalities under the central government have been formed, except Tibet, where the local People's Congress is still in session. The information we obtained from the general office of the NPC Standing Committee and the CPC Central Committee Organization Department suggests that the spirit of reform ran throughout the elections. For the first time provincial leading members were recommended through widespread democratic consultation; for the first time the number of candidates nominated exceeded the posts to be filled; for the first time there was a joint recommendation of candidates by representatives. The election presented a lively scene rarely seen for many years.

The election followed the conclusion of the 13th CPC National Congress. Prior to these, the "Resolution on Amendments to 'Rules of the People's Republic of China for the Organization of the People's Congresses and Governments at All Levels in the Localities'" adopted by the NPC Standing Committee in December 1986, made some important improvements in the methods of nomination and election of candidates. All provinces, autonomous regions, and municipalities worked hard to come up to the requirements of the central authorities for political structural reform and stepping up the building of socialist democracy, and, in the light of local realities,

did a great deal of ideological and organizational work. All this paved the way for the successful election of new leading bodies at the provincial level.

**Widespread Application of Differential Elections, No Rubber Stamps, and Equal Opportunities for All Candidates [subhead]**

The election featured a strong democratic atmosphere. The representatives' consciousness of democracy and of participating in government and political affairs increased, and they had a positive mentality. They treasured the democratic rights vested in them by the law. Bearing in mind that they were committed to the party and to the voters who elected them, they thought long and hard on to how they could pick leaders who would live up to the expectations of the people. A certain number of candidates for leading members of the People's Congresses and governments, presidents of the people's courts, and chief procurators of the People's Procuratorates were jointly nominated by deputies according to law. Adequate consideration was, in line with "Rules of the People's Republic of China for the Organization of the People's Congresses and Governments at All Levels in the Localities" (referred to as "Rules for Local Administrative Organizations" hereunder), given to candidates jointly nominated and the desire of most representatives. Of all the candidates jointly recommended, 99 were finally appointed as formal candidates, of whom 12 were elected: 4 chairmen of the People's Congresses, 2 vice chairmen, 5 vice governors and vice mayors, and 1 president of the provincial higher people's court.

A differential election was introduced for electing leading bodies for a new term of office at the county and village levels in 1987, but it was not implemented at the provincial level until this year. In the said election, a differential election was implemented in the election of vice chairmen of the People's Congresses, vice governors, and vice mayors in all places in light of "Rules for the Local Administrative Organizations." The same system was also applied to the election of chairmen of the People's Congresses in 11 provinces, autonomous regions, and municipalities, governors (chairmen) in 8 provinces and autonomous regions, presidents of the people's courts in 13 provinces and autonomous regions, and chief procurators in 11 provinces and autonomous regions. The differential accounted for 24 percent of total candidates. This provided more choices for representatives. The recent election had nothing in common with putting on a show with the representatives acting as rubber stamps. Candidates recommended by the party committees or jointly recommended by representatives are all comparatively exemplary local cadres, and they had equal opportunities to be elected. Holding a differential election at so high a level involving so many leading cadres is undoubtedly an important reform in our country's electoral procedure.

**The Party Committee's Leadership of the Election Was Strictly Confined to the Limits Permitted by Law [subhead]**

That everything was done according to law and the party committees played a leading role in enforcing the law was a distinct characteristic of the recent election. In quite a number of provinces, autonomous regions, and municipalities, personnel concerned were called together to study the law on electing new leading bodies; some provinces printed the "Electoral Law" and "Rules for Local Administrative Organizations," and gave them out to everybody so that they could familiarize themselves with and abide by the law. The party committees' leadership of the election was confined to the limits permitted by law, and each legal proceeding was earnestly observed. The presidium of the general meeting was in charge of the daily duties of the conference, and they, in line with the law, considered and made decisions on matters ranging from arranging the daily agenda of the conference to deciding whether candidates recommended by the provincial party committee or jointly nominated by representatives were to be submitted to the general meeting for election. The responsible leaders of the provincial party committee present at the People's Congresses acted in the capacity of deputies to the People's Congresses or members of the presidium, respected the authority of the presidium, the choice of voters, and the results of election. The process of electing new leading groups is a process by which the party committees at all levels took the lead in studying and applying laws, and acting according to law. In the election, the party committees of all provinces, autonomous regions, and municipalities gave full expression to democracy, acted strictly according to law, and earnestly improved political leadership of electoral work. To do a good job in considering and recommending candidates, the party committees concerned energetically followed the mass line: Consulting the broad masses in different ways, giving expression to socialist democracy, and making personnel work more accessible to the public. In the overwhelming majority of provinces, autonomous regions, and municipalities, candidates were recommended and assessed at the administrative and the grass-roots levels, and views were presented and fed back to each other for further consideration within a considerable scope, so that candidates recommended by the party committees could enjoy popular support. This is quite different from the past when appointees were decided by a few people. The party committees in all places seriously evaluated the proposed candidates one by one, and the CPC Central Committee Organization Department sent investigators to all places to solicit opinions from all sides. During the election, the party committees of all provinces, autonomous regions, and municipalities explained to representatives the relevant policies adopted by the CPC Central Committee; gave a clear account of the consideration the Party committee gave to the personnel arrangement; assimilated reasonable opinions advanced by representatives; and with the help of the provisional leading party group of the general

meeting and party members among representatives, properly dealt with ideological work during the conference, while energetically guiding the representatives to correctly exercise their democratic rights. Under the party committee's improved leadership, candidates recommended by the party committee were supported by a majority of the masses, and a considerable number of them were elected. Of the 491 candidates who were elected to the leading bodies of the People's Congresses and governments, and the posts of president of the people's court and chief procurator of the People's Procuratorate throughout the 28 provinces, autonomous regions, and municipalities, 479 were recommended by the party committees, making up 98 percent.

**"A Differential Election Made Leading Cadres Break into a Sweat." Reform in the Electoral Procedure Shook Leading Cadres Up a Lot, Spurring them To Integrate Their Commitment to the Party With That to the People [subhead]**

The practice that the party committee recommended responsible cadres to organs of political power; representatives jointly nominated candidates according to law; and a differential electoral procedure was applied in electing leading members of the local People's Congresses and governments, has further increased accessibility and visibility of the administrative operation, and the extent to which the masses participate in government and political affairs, and promoted the "four transformations" of leading bodies. The newly-elected provincial leading bodies for 28 provinces, autonomous regions, and municipalities are better in their structure and quality than ever. An estimate made by the CPC Central Committee Organization Department shows the percentage of governors and vice governors (chairmen, mayors) under 50 has increased from 16.4 percent to 24.4 percent, and that for those with education up to and above university and training school level from 69.8 to 74.4; that for chairmen and vice chairmen of the People's Congresses under 60 from 6.4 to 28.2, and that for those with education up to and above college and professional school level from 33.4 to 44.3. An overwhelming majority of those 62 cadres who have just been elected to the leading bodies for provinces, autonomous regions, and municipalities were local responsible leaders at bureau, department, and city levels and above, have comparatively rich experience and greater capability.

"A differential election made me break into a sweat," sighed a cadre with feeling. This serves to explain the shock the reform gave to leading cadres. Since there is a difference, there is bound to be competition, and candidates may be elected or fail to be elected. The fact that deputies are able to choose among candidates serves to urge leading cadres to identify their commitment to the higher authorities with that to the people, do more practical things in the interests of the people, and conscientiously accept supervision by the masses, so that they will stand a better chance of succeeding in the election. It is encouraging that the vast majority of

newly-elected leading bodies have a new look. In a differential election, some cadres are bound to lose. In the recent election held in 28 provinces, autonomous regions, and municipalities for forming new leading bodies, 94 candidates placed on the ballot by the party committees lost the election, 26 of whom held posts at the level equivalent to vice governor and above. Reform in the electoral procedure has struck at the age-long malpractice by which cadres were only ready to accept a higher post and refused to assume a lower position, and changed the outmoded notions in people's minds. We can no longer lump together those who dare to challenge in a contest on an equal footing with those who can only "stretch out their hands for promotion," nor can we simply equate those who fail to be chosen in the election with those who fail to fill their posts with credit. The party committees in all provinces, autonomous regions, and municipalities are paying great attention to ideological work for those cadres who lost the election, and to arrangements for their work. Efforts are also devoted to guiding the cadres to adopt a correct attitude toward the cadres who failed to be chosen, helping them also to take a correct attitude toward the choice made by representatives and toward themselves, and stand up to the test of failure, thus preparing favorable public opinion and creating a favorable environment under which the reform in the electoral system can go on smoothly, and our cadres do not mind going either up or down.

Socialist democracy is a process. The building of China's democracy, after going through twists and turns, troubles and tortures, has finally embarked on the right track adapted to the condition of our country, that is, the People's Congress system. Though the system remains to be continually improved and applicable rules and regulations have yet to be drawn up in detail, it has after all pushed China's democracy to a new stage. The recent election of provincial leading bodies for a new term of office is a successful practice.

**'Floating Population' Creates Problem in Cities**  
*OW0908143388 Beijing XINHUA in English*  
*0653 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—A floating population numbering 10 million in total is creating many problems for cities, according to today's "WORKERS DAILY".

The 23 Chinese cities with a population exceeding one million have reported a combined floating population of 10 million, including 1.83 million in Shanghai, 1.15 million in Beijing and 1.1 million in Guangzhou. This floating population is expected to continue to increase in the near future, the paper quoted the Ministry of Public Security as saying.

Out of the floating population, two-thirds are hired workers or pedlars. Having no regular residence, some of them even sleep outdoors, at railway stations and in parks.

A total of 55,800 people, or one per thousand of the total floating population were arrested for criminal acts last year, most of them being found guilty of larceny, the paper reported.

**Paper Views Sichuan Birth Control Efforts**  
*HK1008021988 Beijing RENMIN RIBAO in Chinese*  
*5 Aug 88 p 1*

[Dispatch by reporter Luo Maocheng (5012 5399 2052): "Sichuan Province Takes Measures To Keep Population Below 120 Million by the End of This Century"]

[Text] Chengdu, 4 Aug—Sichuan Province has one-tenth the population of our country. In the last two years, Sichuan formulated a birth control policy based on the conditions of the province and its people, which was acceptable to various sectors and the majority of the province. The new policy reversed the greatly increasing trend of population in Sichuan. Recently Sichuan was instructed by the CPC Central Committee and the State Council to continue the present policy of birth control which aims at keeping the population of the province below 120 million by the end of this century.

Sichuan has a high population base and population density, and the age of the population is young. From now on till the end of this century, the birth rate will be at peak level and it is expected that the population will increase immensely once birth control is relaxed. Taking such conditions into account, the concerned departments of Sichuan enacted the "Birth Control Regulation of the Sichuan Province" in July last year with reference to the experience which proved effective in the previous years. This regulation advocated late marriage and late child-bearing, bearing fewer and better children; the bearing of only one child per couple; permitting those Han couples who have practical difficulties to bear a second child; permitting the national minorities in the three prefectures and outlying mountain areas to bear two children per couple; and strictly forbidding child-bearing resulting from non-marital sex or the bearing of a second child or children beyond the limit of the birth control quota. The Standing Committee of the Sixth Provincial People's Congress adopted the regulation which is to be implemented conscientiously and thoroughly in the whole province.

In more than a year since the enactment of the regulation, the birth control policy has yielded rewarding results through the painstaking work of the cadres responsible for birth control and the support of the masses in the province. According to statistics, the number of births in Sichuan in 1987 was 140,000 less than that in 1986, and both the birth rate and the natural growth rate were lower than the average rate of the whole country. In the first quarter of this year, the situation has improved. The total number of births of the province fell by more than 46,000 compared to the number of births in the same period last year. In particular, child births resulting from non-marital sex and early marriage which

had been hampering Sichuan's population control in recent years fell by 46.5 percent. The birth rates of 7 cities and prefectures including Chengdu, Zigong, Yibin and Aba showed a decreasing trend during the first half of this year.

To reach the population control target of Sichuan proposed by the CPC Central Committee and the State Council by the end of this century, various levels of cadres in Sichuan are conscientiously passing on and thoroughly implementing the present birth control policy of Sichuan, and different sectors of society are being mobilized to support the work of birth control. In doing so "the two kinds of production" can be carried out side by side and "the two responsibility systems" can be developed simultaneously, and the birth control policy of the province can be truly implemented.

**Li Peng Concerned About Shanghai Typhoon Damage**  
*OW1008042888 Shanghai City Service in Mandarin  
0900 GMT 8 Aug 88*

[Text] Premier Li Peng, greatly concerned about the impact of this year's No 7 Typhoon on Shanghai Municipality, made a telephone call to Shanghai early this morning to inquire about the city's plan for combatting the typhoon and preventing flooding.

According to the city's electric power supply department, strong winds due to the influence of the typhoon damaged low-tension power lines at 48 places in Shanghai last night and this morning. Damage at 34 places has been repaired and the rest is still under repair.

**Yang Shangkun Receives Jiamusi Vice Mayor**  
*SK1008033488 Harbin Heilongjiang Provincial  
Service in Mandarin 2100 GMT 9 Aug 88*

[Text] Jiamusi City won the honorable title of National Advanced Unit which distinguishes itself in supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs. (Lu Daomo), vice mayor of the city, returned from Beijing with the citation on the morning of 9 August.

This city has scored great achievements in building civilized units and training personnel competent for both military and civilian service in cooperation with the army and civilians. On 27 July, the Ministry of Civil Affairs and the PLA General Political Department cosponsored a national support-the-army commendatory meeting to name Jiamusi City as the national advanced unit which distinguishes itself in supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs. Jiamusi is the only city-level unit which was commended. Yang Shangkun, state president and vice chairman of the Military Commission, received (Lu Daomo), vice mayor of Jiamusi City.

**Beijing Radio Views Panic Buying in Cities**  
*OW0908102488 Beijing Domestic Service  
in Mandarin 0100 GMT 8 Aug 88*

[Station commentary]

[Excerpts] Dear listeners: As a result of price fluctuations, some provinces and municipalities have reported a trend of panic buying in the 1st half of this year. People rushed to buy almost every commodity, including salt, matches, textile products, household electric appliances, and so forth. In some places, people who were oversensitive to prices and in a constant state of anxiety would associate any unusual sign in their economic life with a price hike. They brought along bags, buckets, and other kinds of containers, and lined up and waited in front of stores or markets.

On 14 May, a nonstaple food store in Wuchang District in Wuhan City sold out its regular table salt at a retail price of 0.15 yuan per jin. Before it had time to replenish the supply, a customer, who needed salt in a hurry, bought a new kind of (?medicinal) salt, used to prevent high blood pressure and other diseases, priced at 0.7 yuan per jin at the store. To our surprise, some people drew from this behavior the conclusion that a big increase of salt prices was imminent. Rumors about a salt price hike from 0.15 to 0.7 yuan per jin immediately spread throughout Wuchang District. Overnight, people lined up in front of all stores. [passage omitted]

A rush to hoard salt promptly swept across Chang Jiang and through all streets of Hankou and Hanyang. Cars loaded with salt sped to stores badly in need of supply. [passage omitted]

As the salt-buying rush raced through the three cities of Wuhan, Hankou, and Hanyang, salt dealers made a big fortune. They raised the price of retail salt from 0.15 yuan to 0.2 or 0.25 yuan per jin. Individually run stores raised the price, and so did some state-run stores. They also seized the opportunity to sell inferior and unsalable cigarettes and powdered spices together with salt.

Thanks to the efforts by all quarters, the salt-buying rush in Wuhan City gradually calmed down. However, before people had recovered from the shock caused by the stormy salt-buying rush, the still badly shaken residents of Wuhan City were thrown into a second panic buying some 20 days later. Some stores, in an attempt to sell unmarketable goods, had fabricated the rumor that prices for as many as 400 kinds of commodities would go up after 1 July. Crowds of people swarmed into stores. Anxious buyers crowded counters selling articles for daily use and household electric appliances. They threw their money on the counters, seized the goods from the sales clerks, and left the stores in a hurry. [passage omitted]

People rushed to buy blankets, sheets, quilt covers, down quilts, refrigerators, electric fans, washing machines, aluminum and enamel pots, washbowls, and spittoons regardless of brands and quality. A store in (Liuduqiao) which usually sells 5 or 6 automatic washing machines a day was unable to meet customers' demand even with a daily supply of 100 washing machines. Sewing machines, which in recent years have not been much in demand, were seen being carted away by satisfied customers. [passage omitted]

On 1 July, people continued to swarm into stores. Some who had already bought their wares came to make sure that they were right in taking their precautionary action, while others who had not heard the rumor in time wanted to find out the truth. To their surprise, all prices remained the same as the day before. [passage omitted]

According to statistics released by departments concerned, from 17 to 30 June the sales volume of major retail stores in Wuhan City increased two to three times over that of the same period last year. Some stores even sold their surplus stock of inferior goods, while unlawful elements seized the opportunity to drive up prices. [passage omitted]

Similar panic buying occurred in Shanghai, Tianjin, Beijing, and other cities. Following the price decontrol of famous brand cigarettes and liquor on 28 July, Beijing residents began to pay keen attention to other commodities. On 31 July at the All-People's Commerce Building, customers, after (?glancing at) the prices of cigarettes and liquor, assaulted the knitwear and textile products counter. In early July, daily sales of knitwear and textile products totaled only about 20,000 yuan for each category; but on 28 July, a total of 119,000 yuan of textile products and 65,000 yuan of knitwear were sold. The Beijing Household Electric Appliance Store's sales volume was 40,000 yuan on 25 July, and jumped to 140,000 yuan on 28 July. As the store deputy manager (Zhang) pointed out, the prices of knitwear and textile products had already been readjusted, but panicky customers still rushed to buy after hearing rumors about further price increases in August. [passage omitted]

Dear listeners, the consequences of panic buying are always the same regardless of its motives, and adverse effects have been produced in at least three aspects: First, it delays the process of pricing reform, which needs a relatively stable economic and social environment. However, when people rush to buy something, they usually hoard commodities whose prices are already commensurate with their value, and the artificial distortion of prices perpetuates the old pricing system and thus intensifies the difficulty of pricing reform. Moreover, an artificial shortage of commodities and social instability, caused by panic buying, impedes the smooth progress of reform. Second, it prompts enterprises to aim at meeting short-term interests. With an inadequate market mechanism and lack of competition, panic buying provides a

stimulation for enterprises. Influenced by the new consumer mentality, some enterprises either market poor quality, highly priced commodities, or make profit through price increases, without trying to improve management and operations and to raise product quality and labor productivity. Third, it encourages unhealthy tendencies in society. Panic buying gives unlawful elements a chance to engage in speculation. Some people try by hook and by crook to buy and hoard goods in short supply, monopolize the market, drive up prices to ensure for themselves exorbitant profits, and disrupt normal social order.

Dear listeners, the harm of panic buying is obvious to all. But, why is it being repeated again and again and becoming more serious every time? It is because, first of all, China is in the process of carrying out pricing reform, and the profiteering activities by all sorts of speculators are bringing about price fluctuations. Reluctant to have their hard-earned money depreciate along with price fluctuations, people think that it would be safer to have savings in kind than in cash. At any sign of price fluctuation, they panic. This is why they always carry with them bags of all kinds and rush to buy things whether they are needed or not. They buy the stores as well as their own confidence. Such panic buying is because of the lack of openness in our pricing system, which is still somewhat kept obscure. The masses of people, uninformed about the details of the reform, cannot but nervously try to guess what is going to happen. The panic-buying trend can, to a certain extent, be brought under control if the masses are better prepared psychologically through publicity and guidance on the pricing reform, while bank interest rates should be appropriately readjusted to ensure the masses that their bank savings will not be affected by commodity price fluctuations.

#### GUANGMING RIBAO Examines Inflation Cures HK1008035688 Beijing GUANGMING RIBAO in Chinese 30 Jul 88 p 3

[Article by Zhong Pengrong (6988 2590 2837): "Commenting on the Policy of 'Curing Inflation With Inflation'"]

[Text] To deal with the present conditions characterized by the imbalance in production structure and the rising prices, Comrade Wang Jian has put forward the policy of curing inflation with inflation. He held that it is necessary for the state finance to borrow from the central bank in order to raise funds for the development of the basic industry and that, although this will make the present price rises even more, it will lay a foundation for the stability of prices in the future. I think this idea is open to discussion.

The present imbalance in China's industrial structure is indeed so serious that it has restrained the development of the processing industry. For this reason, increased investment in the basic industry and agriculture is a task

which brooks no delay. However, the method of using inflation to raise funds will not only make it impossible to solve the structural problem but will also lead to serious consequences:

First, our inflation rate has reached a double-digit figure. If we use the method of inflation to raise a huge amount of money, it will speed up currency devaluation. Since the people will think it better to stockpile goods than to deposit money in banks, it will be impossible to prevent rush-buying. The original meaning of inflation is "to turn some consumption needs of the society into accumulation." As a result of rush-buying, however, people will spend more in consumption and less in accumulation and thus reduce the sources of social accumulation. What merits our particular attention is that the people's savings deposit plus the cash at their disposal comes to more than 400 billion yuan at present. However, retail goods were valued only at 610.1 billion yuan last year. If the "tiger in the cage" should rush out, the consequences will be unimaginable. Moreover, the forthcoming price and wage reforms also need a comparatively relaxed currency environment.

Second, the essence of inflation is to collect taxes from currency. Our original intention in collecting taxes from the enterprise currency is to reduce the actual capital of the processing enterprises so that this capital will be shifted to the basic industry and agriculture. However, before the system under which our banks guarantee the enterprise capital and output value is changed, the losses suffered by the enterprises as a result of inflation are eventually made up for by bank loans. Thus, on the one hand, the processing industry does not shrink because some of its real capital has been shifted to the basic industry and, on the other hand, the raising of capital will lead to dual inflation: Inflation caused by the state finance borrowing from the central bank and inflation caused by specialized banks granting additional loans to enterprises to make up for their losses. As for collecting taxes from the currency in the hands of the peasants, it will directly lead to a reduction in agricultural investment.

Third, before the existing systems, such as the pricing structure and the investment structure, are changed, the budgetary and extrabudgetary capital tends to flow to the processing industry instead of the basic industry and agriculture. If we do not change the current flow of capital, which comes to 100 billion yuan annually, it will not fundamentally solve the question of perversion in China's production structure even if we can raise several dozen billion yuan through inflation alone.

A fundamental way to solve the perversion of China's production structure is to speedily reform the pricing structure, the investment structure, and the equity structure so that the capital from all quarters of the society will voluntarily flow to the cash-strapped basic industry. Before the above-mentioned systems are reformed, we may adopt a method of paying interest in the form of a deduction when selling a bill of exchange to make the

basic industry's investment returns higher than those of the processing industry. In this way, we can use a certain amount of capital to attract several-fold of social investment. Fundamentally speaking, to solve the problem of capital shortage in agriculture, it is still necessary to arouse the peasants' enthusiasm for agricultural investment through reform.

However, solving the problem of production structure is not tantamount to solving the price problem. The excessive development of the processing industry and the insufficient development of the basic industry have changed the price relations among the three major kinds of products, namely, farm produce, the processing industrial products, and the basic industrial products. They have not caused a rise in the general price level. Had it not been for the swelling credits, the balanced growth of the total amount of currency in circulation and the total commodity supply, the relative expansion of the processing industry, and the relative insufficient development of the basic industry, they would have resulted in reduced prices of the processing industrial goods, the rising prices of the basic industrial goods, and the unchanged general price level. The reality is that not only have the prices of the basic industrial goods risen, the prices of the processing industrial goods have also risen. Obviously, this is the result of excessive total demand rather than of contradictions in structure. In China, the question of excessive total demand is not one of macro policy. It is caused by a series of systems. The pressures on the local governments to increase their output value and their enthusiasm to develop new projects have made it difficult to check the investment demands; in their shortsighted conduct some enterprise operators, workers, and staff members have even turned the circulating capital into wages and thus forced the banks to grant credits to make up for the capital shortage; the huge collective consumption expenses have either turned into financial or enterprise deficits. The above-mentioned inflated demands have eventually resulted in a common demand for increased bank credits. The integration of the practice of "everybody eating from the same big pot" in the banking industry and the supply system in credits and capital with the above-mentioned strong credit demands is the institutional cause of inflation.

In short, we can neither solve the problem of production structure with the method of using inflation to raise capital nor use the method of solving the problem of production structure to replace the method of solving the problem of rising prices.

**BEIJING REVIEW** on Single Price System  
*OW1008051088 Beijing BEIJING REVIEW in English*  
*8-14 Aug 88 p 4*

[Notes from the editors: "Towards a Single Price System"—by Zou Minyi]

[Text] As China has reduced its centrally planned pricing and directed economy to embrace market forces, a dual-track price system has been introduced since 1984

as a transitional step. Many people questioned the wisdom of this move. Yet, the story of one economist—who was against immediate price reform—indicates the problems of the dual-track system.

One day, an official from his home village visited him with a letter from the county government asking for his aid in procuring 200 tons of fair-priced rolled steel. Eager to do something for the people of his birthplace—which he had not visited for 40 years—he agreed to help, and wrote to a school friend in the State Planning Commission. Shortly afterwards, a letter arrived agreeing to allocate the 200 tons. It was followed by another visit from a county official—this time with a 100,000 yuan “thank you” reward, an amount equal to half the difference between the state price and the negotiated buying price.

The economist claimed he almost fainted with shock, but the official assured him this was the current practice given the difficulty of securing materials. Needless to say, his opinions on price reform changed dramatically.

This tale sums up the essential problems of the state planned price system: materials were often unavailable, and when they were, they were often resold with a massive mark-up. But as China has moved to a dual-track price system, there have been complaints about the large differences in price between centrally priced goods and those available on the open market. The main reason for this is the irrational system whereby price reflects neither true value nor a relation between supply and demand.

The state planned price system is a holdover of the rigid pricing mechanisms solely used by the Central Government until 1979.

Once set, prices were extremely hard to readjust. And so since 1979, various goods have been allowed to find their own price on the market. Most farm and sideline products have more or less been decontrolled, and small commodities completely decontrolled. The price of capital goods is presently undergoing reform to the dual-track system of combining planning with the market. So far, this has proved extremely helpful in boosting production, but its defects have become increasingly evident. Fundamentally, it discourages competition as there are still great disparities between planned and unplanned prices. This opens the road for bribery and the reselling of goods over and over again. As a result, many enterprises and farmers cannot get vital commodities, such as rolled steel and fertilizer, at the price set by the state, and in some cases find it impossible to get anything at all. Already many directors of contract enterprises have demanded the abolition of the dual-track system as much of their energy has been diverted to establishing “unprincipled connections.” However, it should not be

forgotten that the dual-track system is merely a transitional preparation for the establishment of a market-oriented system based on contracts which will motivate enterprises to continually improve their internal management.

At present, a new breakthrough is being planned for capital goods: with the exception of some undersupplied materials, they will no longer be distributed under state monopoly, but be sold as commodities on the open market.

But will this ensure that undersupplied materials are in sufficient amounts? For the construction of key projects, state departments in charge of the supply of materials and equipment have the power to introduce exclusive distribution system set at proper prices which benefit the producers but are lower than market prices. Of course, in the long term, even this element of planned distribution and allocation will disappear, so as to improve the capital goods market.

The low price of such basic commodities as energy, communications and raw and semi-finished materials has been a long-standing problem in China. Rationalizing these prices as quickly as possible should have the knock-on effect throughout the entire price structure, and so in turn facilitate the development of production, and the readjustment of the structures of investment and industry.

Some pilot provinces and cities such as Jiangsu, Zhejiang, Sichuan, Liaoning, and Shijiazhuang have already achieved remarkable results in reforming their materials system by introducing a single selling price for both planned and unplanned commodities. Now they are more freely available than before, their prices have basically been stabilized.

**Economy Characterized by Stability, Prosperity**  
*HK1008015188 Beijing JINGJI CANKAO  
in Chinese 30 Jul 88 p 1*

[Article by JINGJI CANKAO correspondent Qiu Xiaohua (6727 2556 5478) and reporter Wu Shishen (0702 1102 3234): “The Economic Development Is Steady and Vigorous and the Growth Rate Is Expected To Be a Two-Digit Figure—Prospects for the Situation of the National Economy in the 2d Half of 1988”]

[Text] Half of the year 1988 has passed under the guiding principle of “deepening the reforms and stabilizing the economy,” and the development of our national economy in the 1st half of this year was characterized by stability, a high growth speed, and prosperity. The economic situation was gratifying. However, people are more concerned about the new changes in the economic situation in the 2d half of this crucial year in the reforms. The economists in the State Statistical Bureau expect that the entire national economy will continue to maintain the stable and high-speed development tendency, and the economic growth rate will be a two-digit figure.

**Industry: The Speed May Slow Down But Productivity Will Improve [subhead]**

In the 2d half of this year, industrial production will continue to be promoted by the "three driving forces," namely, the "swelling force" from the enterprise contracted management system, the "pulling force" from the brisk market demands, and the "backing force" from the development of various economic elements. It is expected that the high growth rate in industrial development in the 1st half of 1988 will remain in the 2d half of the year. At the same time, it should also be noticed that the factors that slow down industrial production will increase somewhat, and the supply of raw materials, electrical power, transport facilities, and funds will become more strained than in the first half of 1988. It is expected that industrial production in the whole year will grow by about 16 percent over last year. The key is to really give priority to the enhancement of enterprise productivity and to properly coordinate the growth speed and the productivity. Localities and enterprises should be discouraged from blindly vying with each other in striving for a high growth rate.

**Agriculture: The Output of Cash Crops Will Obviously Increase, But Grain Production Will Remain a Problem [subhead]**

This year, various localities adopted a series of measures to promote agricultural production. Investment in agriculture was increased, and prices of agricultural products were adjusted. It is expected that agricultural production in the 2d half of this year will further increase. We expect that the output targets for cotton, sugar-bearing crops, tobacco, hemp, and fruit will be fulfilled or overfulfilled and will increase to different degrees as compared with last year. However, grain production will remain a problem. The sowing areas of rice in both spring and summer decreased, and natural disasters occurred frequently. All this will inevitably affect the grain output. The annual grain output target may not be fulfilled, but this year's grain output may still be higher than last year's. The production of live pigs will be further improved, and it is expected that the shortage of pork on the markets will be mitigated in the 2d half of this year. The production of cattle, goats, sheep, and aquatic products will also increase over that of last year. At present, agricultural work should particularly ensure the sowing and management of autumn grain crops, properly manage agricultural funds, and guarantee the supply of materials for agricultural production. At the same time, it is necessary to prevent the stockpile of agricultural products in some localities.

**Market: The Supply of Most Commodities Will Be Normal, and Prices Will Remain at the High Level [subhead]**

The domestic markets in the 2d half of this year will continue to be filled with "hot air." The sales of various consumer goods, including food and clothes, will continue to increase. The annual volume of retail sales in the

whole country will top 700 billion yuan this year, or increase by about 24 percent over last year. However, the prices of various commodities will maintain the upward tendency. This is mainly the result of the contradiction between supply and demand and the adjustment and decontrol of the prices of some commodities. This is also fueled by some enterprises' unauthorized, unreasonable, and reckless actions to raise prices. Some brandname color TV sets and refrigerators will remain in short supply, but the supply of most commodities will return to a normal condition. Export will continue to increase and the annual export volume may reach an all-time high or reach the target of export a value of \$100 million a day. Good development situation will also exist in the field of utilizing foreign funds, exporting labor services, and international tourism. People will ardently hope for straightening out the market order, ensuring fair trade, and increasing the openness of the price policy through deepening the reform of the circulating structure.

**Distribution: The State Revenue Will Increase, and People's Incomes May Rise or Fall [subhead]**

With the stable development of the economy, the situation in which state revenue, enterprise earnings, and individual incomes all increase will continue. The annual revenue target will be achieved. Profits retained by enterprises will also increased. It is estimated that workers' total wages this year will increase by 20 percent over last year, and the per capita income of urban residents will top 1,000 yuan. The per capita net income of the peasants will exceed 500 yuan. With the price rise factor being deducted, the actual income level of most residents will rise. The savings of urban and rural residents will continue to increase, but the growth rate will be lower than last year's. Due to the high price rise, the actual income of some residents may fall from their income level last year. In particular, the livelihood of retired workers, government institution personnel, and workers in loss-incurring enterprises may be affected more obviously. However, the excessive growth in consumption demand will still not slow down in general, so necessary guidance for consumption must be given. The pressing tasks of the moment are to promote the reform of the labor and wage system, to solve the unfair phenomena in income distribution, and restrain people from vying with each other in consumption.

**Seasonal Fluctuations in Industrial Production**  
*HK1008042688 Beijing RENMIN RIBAO in Chinese*  
6 Aug 88 p 2

[“Reference Data” by the Economic Forecast Department of the State Economic Information Center: “Seasonal Fluctuations in China’s Industrial Production”]

[Text] Our country has a vast expanse of land and a complicated climate. Industrial production is marked by seasonal fluctuations. This, coupled with the effect of the

natural calendar and specified festive days and holidays, has made seasonal features more obvious. A correct analysis and understanding of the features of seasonal fluctuations carries great significance in strengthening macroeconomic management and organizing production management.

#### 1. Monthly Fluctuations in Our Industrial Production [subhead]

With our New Year Day and Spring Festival falling in January and February and with February being of a non-leap year, industrial output value in these two months is lower than that in other months. The summer is marked with high temperatures and plenty of precipitation. There are also often typhoons. Industrial production in July and August thus suffers. An analysis of trends shows that October is the most stable month of industrial production in our country. Except for the 5 months mentioned above, seasonal and climatic factors in the other 7 months help toward a rise in industrial production.

Governments at various levels and various government departments in our country often check production conditions at the end of a quarter, the end of a half-year period, and the end of a year. Therefore, as far as March, June, September and December are concerned, there exist some artificial factors related to our management system, which cause a relatively big rise in industrial production in these few months.

Judging from statistical data on monthly industrial production in the past 10 years or more, we can see relatively great seasonal differences between various months of industrial production in our country. Given 100 as an indication of no seasonal effect, then the seasonal effect in February is only around 89. The seasonal effect is greatest in June, standing at around 107.

#### 2. Seasonal Fluctuations in Our Quarterly Industrial Production [subhead]

The degree of fluctuation in our quarterly industrial production is lower than that in monthly industrial production. The seasonal effect is lowest in the first quarter, standing at around 94. It is highest in the second quarter, about 105. Seasonal effects in the third and fourth quarters both stand at 100 or so.

Seasonal fluctuations in light and heavy industries show different characteristics. The fluctuation in heavy industry is relatively big, and that in light industry relatively small. The seasonal effect on heavy industrial production is only 93 or so in the first quarter and 107 in the second quarter. The second quarter is the "golden season" for our heavy industrial production. Heavy industrial development in the other two quarters is relatively stable. The seasonal effects on light industrial production are relatively great in the second and fourth quarters. The former is around 103, and the latter about

105. Due to market needs in the Spring Festival (the New Year Day), there is a relatively big rise in light industrial production in the fourth quarter. As summer commodities are mostly light industrial products, the seasonal effect on light industrial production in the second quarter is also relatively great. The seasonal effects on light industrial production in the other two quarters are respectively 95 and 96 or so.

Production of industrial enterprises owned by all the people in various quarters is relatively stable. The greatest seasonal effect in the second quarter is around 103, and the lowest seasonal effect is about 97. Collectively owned enterprises are different. Seasonal fluctuations are relatively great. The seasonal effect in the second quarter is 110, and that in the first quarter around 88. Given a relatively long interruption of production in collectively owned enterprises around the Spring Festival, the degree of fluctuation in collectively owned enterprise industrial production is even greater than the degree of monthly fluctuation in the whole industry. The fluctuation in the production of the whole industry is relatively greatly affected by collectively owned enterprise industrial production.

#### Strict Procedures for Hotel Construction Urged

OW1008044688 Beijing XINHUA in English  
0157 GMT 10 Aug 88

[Text] Beijing, August 10 (XINHUA)—China's State Council ordered recently the strict implementation of procedures to examine and approve the construction of tourist hotels in China involving Sino-foreign partnerships.

The State Council's order was made in accordance with a plea submitted to the body by the State Planning Commission and the National Tourism Administration.

According to the plea, relevant regulations on the procedures for examination and approval of Sino-foreign funded or jointly constructed tourist hotels have been made clear in a notice issued by the State Council on November 17, 1986.

"Over the past year, most departments and areas in the country controlled the development of such kinds of hotels," said the plea. "But, some did not carefully follow the notice," it continued.

They approved tourism construction projects and feasibility study reports, signed or approved contracts with foreign firms. They did all this without consulting the State Council's notice, according to the plea.

These projects were not in accord with state regulations on attracting foreign investment and will unfavorably affect the healthy development of China's tourism industry, said the plea.

To enhance the macro-management of the construction of tourist hotels and effectively control the development of Sino-foreign funded or constructed hotels, the State Planning Commission and the National Tourism Administration put forward the following suggestions:

Any Sino-foreign funded or constructed hotel projects which do not apply to the State Planning Commission, the Ministry of Foreign Economic Relations and Trade and the National Tourism Administration for approval must hand over all their documents and materials to the above organizations for examination and approval.

In the future, any construction projects involving tourist hotels, apartments and office buildings with Sino-foreign investment or construction must solicit the opinion of the State Tourism Administration and submit plans to the State Planning Commission for approval.

The central and local foreign economic relations and trade departments should not examine and approve the contracts of any such projects without the State Planning Commission's approval.

**Encroachment on Arable Land To Be Halted**  
*OW0908113588 Beijing XINHUA in English*  
*0744 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—China will take a package of measures to stop encroachment on arable land, reported today's "GUANGMING DAILY" quoting Wang Xianjin, director of the State Land Administration Bureau.

According to Wang, China only has 1.4 mu (15 mu equals one hectare) of arable land per head, less than one-third of the world's average.

Still worse, this arable land is being reduced daily by construction projects. In 1987 alone, 340,000 hectares of farmland were set apart for other uses.

"If China's arable land keeps on shrinking at this rate the nation's 126.6 million hectares will be reduced to 100 million hectares by 2050," Wang said.

According to the director, the state will take measures to improve the situation, including:

—Education on land management will be carried out nationwide, and young people will be taught to appreciate the value of land. This will be introduced into textbooks for middle and primary school pupils.

—Land markets will be set up to change the present situation of using land without charge and time limit.

—Land management organizations will be set up at various levels to enforce the regulations.

**Report on Progress of Huanghuaihai Plain**  
*HK0908140888 Beijing RENMIN RIBAO in Chinese*  
*5 Aug 88 p 2*

[Article by XINHUA reporters Yin Jianhua (1438 1696 5478), Zhang Chuanxuan (1728 0278 1357), and Sun Can (1327 0639): "Huanghuaihai Plain Changes From a Grain-Deficient to Grain-Surplus Place"]

[Text] Huanghuaihai Plain was a "major grain-deficient household" in the country 10 years ago but it has now changed to a "major grain-surplus household". This is the result of the long-term valiant struggle waged by several thousand agricultural scientists and technologists, including experts, professors, and the peasants.

According to statistics, over the past 10 years, the state scientific and technological task team scored important achievements in 59 items of agricultural scientific research in the Huanghuaihai area. Of them, 42 items have been transformed into the productive force so that the output of grain, cotton, and oil has increased by a wide margin. Ten years ago, about 6 billion kg of relief grain had to be allotted to this area each year. Now, the area has a surplus of some 2.5 billion kg of commodity grain each year. As early as the 1950's and 1960's, a large number of scientists and technologists, with famous pedologists, including Xiong Yi, Wang Shouchun, and Wang Zunqin, as representatives, came here to "Gnaw a bone." During the "Sixth 5-Year Plan" period, the state also took Huanghuaihai area as a focal point to tackle key scientific and technological problems. Some 1,000 scientific research workers from the whole country set up 12 comprehensive experimental districts in areas with different types of soil, to conduct many items of the key technological research, including the "high yield, superior quality, and resistance of grain, cotton, oil-bearing crops, and fruits, auxiliary projects, and cultivation." The experts discovered the law that "salt comes with water and goes with water" and applied the method of integrating the harnessing of rivers by carrying out construction with reform of the farming system, such as channelling the water of the Huang He into the fields; well irrigation; ditch drainage; flatland cultivation; inter-planting of forest (fruits) and grain; and dryland crop and paddy rice rotation so that good crops could grow very quickly on 20 million mu of saline-alkali land with a vast area of white alkali and willow growing thickly. On 140,000 mu of the improved alkali experimental district of Yucheng County which took the lead in doing harnessing work, the per-mu yield of ginned cotton has increased from less than 10 kg in the past to some 90 kg and the per-mu yield of grain from less than 100 kg to some 500 kg. This historic pioneering work was called a miracle in the world of alkali improvement.

The formation of the network to popularize modern agricultural science and technology has speeded up the transformation of scientific research achievements. Since the 1960's, the experimental districts set up by scientific research units at all levels on Huanghuaihai Plain have now radiated widely and formed a service network closely combining scientific research, demonstration, popularization, and production. In Hebei's Heilonggang Prefecture which is called the "dry trough of north China," the reporters saw that the original 200,000 mu of a comprehensive agricultural experimental district had radiated widely to the 20 million mu around it; 2 million mu had been a demonstration area. Those conducting scientific research in the central experimental district now include some 3,000 experts, professors, scientists, and technologists of some 70 research institutes, universities, and colleges of China and foreign countries and a large number of local technological cadres, peasant technicians, and technological popularization teams organized by scientific and technological demonstration households. This force has promoted the rapid radiation and popularization of the scientific research achievements. Over the past 2 years, the 2.2 million mu of the central experimental district and demonstration area alone has increased output of grain by 55 million kg, of ginned cotton by 28 million kg., and of fruits by 63 million kg and directly earned an income of 128 million yuan.

Plant disease, insect pest control and treatment was originally a weak link on the Huanghuaihai Plain. The Plant Protection Institute of the Academy of Agricultural Sciences of China conducted scientific research in this area, thus solving the technological problems of European corn borers and wheat midges. With the establishment of the plant protection service structure in all places, the prompt control and treatment of the wheat midges alone reduced the loss of wheat by 650 million kg. a year.

**More Funds Slated To Combat Natural Disasters**  
*OW1008045288 Beijing XINHUA in English*  
*0143 GMT 10 Aug 88*

[Text] Beijing, August 10 (XINHUA)—The central government of China plans to grant more relief aid funds and materials to areas hit by drought, floods, hailstorms, typhoons and waterlogging.

In an interview with "CHINA DAILY", officials from the Ministry of Civil Affairs said the budget for disaster relief this year is 900 million yuan, not including relief funds for emergencies and earthquakes.

According to the officials, more than 50 percent of the total relief funds, about 524 million yuan, has been allocated to the areas affected by natural disasters to buy foods, clothing, housing, and medical supplies, and help revive local economies.

Drought and floods have persisted in many parts of the country, with continuous high temperatures exceeding 40 degrees centigrade, occasional hailstorms and frequent waterlogging, particularly since May.

For instance, more than 2.5 million hectares of land in Anhui—about 60 percent of the total cultivated land in the province—and more than 2.66 million hectares in Henan Province have been affected by drought.

Frequent rainstorms last spring inundated 3.6 million hectares, about 40 percent of all the cultivated areas in Heilongjiang Province in northeast China.

On Monday morning, 170 millimetres of rain fell in Shanxi Province in just three hours, bursting a dam, ruining 18 towns and 318 villages, damaging about 21,300 hectares of crops, and completely destroying about 10,000 hectares of farmland.

Besides allocating more money, the Ministry Of Civil Affairs has also dispatched many relief teams to disaster affected areas to conduct relief work.

### East Region

#### Anhui Governor Addresses Public Security Meeting *OW0908071688 Hefei Anhui Provincial Service in Mandarin 1100 GMT 1 Aug 88*

[Excerpts] Lu Rongjing, secretary of the provincial party committee and governor, addressed a provincial public security conference on 30 July. He stressed that party committees and governments at all levels should understand fully the unusual importance of improving current public security, and exercise an effective leadership over it.

Lu Rongjing said: Reform has entered a crucial stage. The deepening of reform has brought about social changes and very complicated destabilizing factors. The situation is very serious as far as public security is concerned. To establish a new order in the commodity economy, concentrate our efforts on construction, and tide over difficulties in reform, we should improve public security and safeguard social stability.

Party committees and governments at all levels should first attach importance to public security, truly realize that public security is an important part of the party committee's and government's work, and exercise effective leadership over it. They should constantly hear reports on public security, conduct inspections and study, and take effective measures to solve practical problems in public security organs.

Vice Governor Shao Ming also spoke at the meeting.

(Wang Shengjun), secretary of the provincial Commission on Political and Legal Affairs and director of the provincial Public Security Department, relayed the guidelines of the National Conference of Directors of Public Security Departments and Bureaus, and delivered a summing-up report.

Deputy Director (Qi Banghan) made specific plans for our province's public security work during the 2d half of this year.

In light of the actual situation in public security in our province, the meeting laid down the following tasks:

1. Be fully prepared for any contingency, and handle the matter appropriately;
2. Implement resolutely the principle of dealing swift and heavy blows at criminals, and firmly carry on the struggle against serious criminal offenders; [passage omitted]
3. Boldly explore ways to improve public security work, and actively promote reform in this area; [passage omitted]

4. Take effective measures to build up a fine contingent of public security workers.

The meeting also stressed the need to conduct public security work in an open manner to acquire the understanding and support of all sectors in society. Public security organs at all levels should set up a press spokesman system as soon as possible. If we need to mobilize and rely on the masses to fulfill certain tasks, the objectives and significance of these tasks, as well as the policy and methods involved, should be publicized widely, in advance, to the public through newspapers, and radio and TV stations to ensure success in these areas.

#### Jiangsu Secretary on Cadre Selection Reform *OW1008043788 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 6 Aug 88*

[Excerpts] Speaking on reforming the cadre system at the provincial conference on organization affairs yesterday, Han Peixin, secretary of the Jiangsu provincial party committee, pointed out: Under the new situation, we should assess and select cadres by making sure that they meet the set requirements and integrating criteria for productivity with requirements for cadres' proficiency and integrity. This is an important issue concerning what sort of cadre will be used and what sort of leading body will be organized. [passage omitted]

Han Peixin said: Criteria for productivity and requirements for proficiency and integrity have specific, scientific meaning and should not simply be observed as pragmatism. Pitting criteria for productivity against requirements for proficiency and integrity, or considering them as equal, are both narrow-minded and one-sided points of view. [passage omitted]

Han Peixin said: To reform the cadre system and handle cadre affairs properly, we should make sure that our work in this regard is handled more openly and fairly. Giving everyone equal opportunity is an important principle for proficient people competing, and handling cadre affairs more openly is the basic (?requirement) to ensure fair competition on an equal footing.

Han Peixin said: Over a long period, because of all kinds of [words indistinct] and lack of openness and democratic procedures, cadres were selected secretly and the masses' views were seldom solicited. While the people should have the right to choose public servants, making the selection of cadres more openly safeguards this entitled right. Openness in selecting cadres can widen the channel through which people exercise supervision over cadres, thus preventing and combating irregularities in personnel affairs, such as nepotism, cronyism, intercession, and making unilateral decisions. Openly selecting cadres can also ensure the implementation of the cadres' promotion-demotion system.

**Jiangxi Radio Commentary Urges Use of Mandarin**  
*OW 0908054988 Nanchang Jiangxi Provincial Service  
in Mandarin 1000 GMT 6 Aug 88*

[Station commentary: "Encourage People to Speak Mandarin"]

[Text] By encouraging people to speak Mandarin here, it means persuading them to take the overall situation into consideration and working together with one heart and one mind to tide over difficulties.

The tremendous achievements made through reform in our country have attracted world attention. Our economy is developing rapidly, and the living standards of the people are improving gradually. The situation is similar in Jiangxi. In the 1st half of this year in particular, the managerial contracted responsibility system was implemented extensively in enterprises in our province; price reform was started earlier in our province than in other places; and [words indistinct]. Economic development has been promoted by carrying out reform and opening to the outside world. Thus we have gained the initiative to a considerable extent.

It should be noted, however, that the price and wage reforms have yet to be carried out effectively. To do so, it is necessary to deepen reform of enterprises and greatly raise their economic results. This means that prices, wages, and economic results are three major difficulties facing us. To solve these problems, we must conscientiously take the vital interests of the masses into account. It should be stressed particularly that the cadres and masses must take the overall situation into consideration. To encourage people to speak Mandarin or take the overall situation into consideration, we should enhance our awareness of reform and make every possible effort to overcome various contradictions in life. The party Central Committee's principle is that reform should play a dominant role in our overall work. This means that all localities and departments should surmount their difficulties by deepening reform; otherwise, there is no way out.

The party Central Committee has repeatedly instructed party and government organs to be honest and upright in carrying out their duties. This is an important guarantee for the cadres and masses to work together with one heart and one mind to tide over difficulties. Most cadres and party members have acquitted themselves well, but some cadres have failed to do so. [words indistinct]

It is stressed that cadres, especially leading cadres at various levels, should take the overall situation into consideration. The cadres should do so, and so should the masses. For example, prices for famous brands of cigarettes and liquor should be decontrolled, and this will not increase the cost of enterprises' products. As for

other commodities, there is no reason to raise their prices. This is what we mean by taking the overall situation into consideration.

Pig raising is decontrolled in our province, which is conducive to promoting production and satisfying people's needs. This is a good thing. However, individual butchers in some localities collude with one another in seizing the opportunity to drive up pork prices. Those who have done so have not only failed to take the overall situation into consideration, but violated the law, and they should be investigated and punished.

By encouraging people to speak Mandarin or take the overall situation into consideration, it also means abiding by the law, following the policies of the state, and subordinating partial interests to those of the whole. In this regard, no unit or individual can be an exception.

Taking the overall situation into consideration does not mean negating partial interests, but handling correctly the relationship between the part and the whole and between immediate and long-term interests. When we all speak Mandarin or take the overall situation into consideration, we can work together better with one heart and one mind to tide over difficulties and achieve fresh successes in reform.

**Shanghai To Expand Shareholding System**  
*OW 0908122888 Beijing XINHUA in English  
1138 GMT 9 Aug 88*

[Text] Shanghai, August 9 (XINHUA)—The municipal government in Shanghai has decided to expand and introduce more flexibility into its current share-holding system.

In the second half of this year, the number of domestic share-holding enterprises as well as those with foreign partners will be greatly expanded, said local officials. They added that more bonds will also be issued.

The decision to expand is based on the success of the system over the past two years, according to local officials. The bond markets, in particular, have been active, with weekly business amounting to an average of 1600 shares.

Shanghai first began to experiment with share-holding in 1986. Nine standard share-holding enterprises have been set up to date.

**Shanghai Sets Up New Political Work System**  
*HK 0908035588 Beijing RENMIN RIBAO  
in Chinese 4 Aug 88 p 4*

[Dispatch from Shanghai by reporter Zhang Shihong (4545 0013 7703): "Shanghai Explores Ways To Set Up New System for Ideological and Political Work"]

[Text] Under the new situation, how should we set up a new system for ideological and political work? This is a problem of primary importance which party organizations at all levels have shown concern about. Led by

party Secretary Jiang Zemin, the Shanghai Municipal CPC Committee instituted systematic investigation and study in grass-roots units. Afterward, it formulated a plan for transforming and strengthening ideological and political work. The plan has been approved by a plenary meeting of the committee, and will be implemented throughout the municipality.

At present, there are many ideological problems among the masses. Some result from the clash between the new and the old systems. Some result from discontent with the existing state of affairs and demands for deepening the reform. Some result from people's failure to understand and their worries about various kinds of passive phenomena arising in reform. In addition, some people have adopted a passive attitude toward reform. Too many complaints and opinions will adversely affect our morale. The municipal CPC committee maintains that we should grasp reform with one hand, and do ideological and political work with the other. Neither can be neglected.

Many enterprises in Shanghai have provided us with their valuable experiences in establishing the new system, determining the contents and devising the methods for ideological and political work. The pattern of the new system is: A multilevel network of ideological and political work characterized by integration between the party and the masses, with factory directors taking responsibility and administrative departments being specifically in charge. We need a procedure for setting up the new system. In the course of replacing the old system with the new one, to ensure the continuity of work, enterprises in Shanghai have adopted many transitional forms. Some party secretaries are concurrently appointed deputy factory directors specially in charge of ideological and political work. To organize and coordinate ideological and political work, some enterprises have set up ideological work committees, with factory directors as their chairmen. In other enterprises, factory directors entrust party secretaries with the task of doing ideological work. In some enterprises, factory directors and party secretaries share the work on the basis of individual responsibility. Factory directors are responsible for day-to-day ideological work, whereas party secretaries are in charge of the work of providing training and education. Since conditions in different factories vary, they are allowed to follow different patterns. The municipal CPC committee maintains that various institutions may learn from the experiences of enterprises and proceed from their actual conditions in exploring new ways.

Many grass-roots units in Shanghai have made every effort to devise vivid methods to make ideological and political work interesting and absorbing. They have organized various kinds of activities, such as reading books, heart-to-heart talks, intelligence quizzes, psychological consultations, developing aspirations and interests, promoting ideological exchanges, and so on. They have scored certain achievements. They place the emphasis on understanding, respecting, and showing

concern for people. They treat all people equally. They also integrate ideological and political work with people's production and livelihood, and increase the transparency of the ideological and political work to overcome some defects of the old system.

Shanghai is making its own efforts to create a new environment which is beneficial to ideological and political work. First of all, the social status of the cadres in charge of political work should be enhanced. In Shanghai, a number of new ideological and political workers have come to the fore. They have made contributions to the establishment of the new system. They should be respected. They should also be supported by new social public opinion. Various kinds of one-sided views which belittle the importance of ideological work should be overcome. Of course, cadres in charge of political work should also improve their quality.

The building of the party itself and good examples set by party members is the key to the success of ideological and political work. The municipal CPC committee emphasizes that party-member leading cadres must take the lead in developing an honest work style to fight against unhealthy trends. The formulation of various rules and regulations will be of great benefit to improving the conditions for ideological and political work.

**Shanghai's Jiang at Trade Union Congress Opening**  
*OW0908054288 Shanghai City Service in Mandarin  
2200 GMT 8 Aug 88*

[Transcribed report on 8 August opening of Eighth Congress of Shanghai Trade Union Council]

[Excerpt] The Eighth Congress of Shanghai Municipal Trade Union Council opened this morning to the solemn strains of the national anthem. The Workers' Theater in western Shanghai was crowded with the 900 delegates and 140 specially invited delegates.

Attending the congress were Jiang Zemin, Zhu Rongji, Huang Ju, Wu Bangguo, Zeng Qinghong, Ye Gongqi, Xie Xide, Zhang Dinghong, Mao Jingquan, Zhao Qizheng, Wang Liping, Yang Zhifan, (Chen Zhili), and Liu Zhenyuan, leaders of the Shanghai Municipal CPC Committee, Advisory Commission, Discipline Inspection Commission, People's Congress, government, and CPPCC Committee; and responsible comrades of the municipal CYL committee, Women's Federation, and Science and Technology Association.

Jiang Zemin, secretary of the Shanghai Municipal CPC Committee, addressed the congress.

[Begin Jiang recording] On behalf of the Shanghai Municipal CPC Committee and municipal people's government, I would like to extend warm congratulations to the congress, and cordial greetings to all members of the trade unions, workers, staff, and trade union workers in

Shanghai, who are working hard and diligently and forging ahead on the various fronts, making contributions to promoting the material and spiritual civilizations, and wish the congress great success. [end recording]

After reviewing the achievements made in the past 5 years by the working class of Shanghai in unswervingly carrying out the reform and open policy and transforming and invigorating Shanghai, Comrade Jiang Zemin said:

[Begin Jiang recording] We hope all workers, staff members, and trade union workers in the entire municipality have a clear understanding of the reform situation, and the courage to shoulder heavy revolutionary tasks. Currently, China's reform is reaching a new crucial stage. We are faced with an unavoidable, big hurdle in the reform of the price and wage systems. Price and wage reforms are more risky. However, if we fail to take this step, it would be impossible for us to build gradually a foundation for the socialist commodity economy and ensure continued development of the reform in addition to the achievements already made. Shanghai's working class has a reputation for its fine tradition of hard work and pioneering spirit. We must display our undaunted spirit to meet difficulties head on, strengthen awareness as the masters of our country, and give scope to our role as the main force in the reform. The fundamental purpose of the reform and open policy is to develop productive forces. It is in the interests of the working class and the people of the whole country to develop these productive forces. It is also the most fundamental task for all citizens in this municipality. The next 5 years will be of crucial importance to Shanghai. Whether it will be able to invigorate its economy during the next 5 years, whether the [words indistinct] problems left over from history will be solved, and whether the people's living standards will be further improved will ultimately depend on whether the people of Shanghai are keenly aware of their mission and responsibility, and depend on the kind of mental attitude the workers and staff have and on their creative labor. [end recording]

Comrade Jiang Zemin also called on all workers and staff in the municipality to master needed techniques and skills, raise ability in carrying out construction, foster new social practice, and uphold stability and unity. [passage omitted]

**Shanghai Suburban Industrial Output Grows**  
*OW1008053188 Shanghai City Service in Mandarin 0900 GMT 6 Aug 88*

[Excerpt] Despite summer heat and a shortage of raw materials and capital, industries in Shanghai's suburban counties continued to grow steadily in July. The total output in July exceeded 1.72 billion yuan, an increase of

34.14 percent over the same period last year. The aggregate industrial output during the January-July period reached 11 billion yuan, an increase of 31.3 percent over the same period last year. [passage omitted]

**Central-South Region**

**Guangdong Secretary Inspects Mountain Areas**  
*HK0908091588 Guangzhou Guangdong Provincial Service in Mandarin 1030 GMT 8 Aug 88*

[Excerpts] From 4 to 8 August, provincial party committee Secretary Lin Ruo visited Wengyuan, Shixing, Nanshaoing, and Qujiang Counties under Shaoguan City. He discussed with local cadres how to accelerate economic development in mountain areas.

Comrade Lin Ruo learned how Shaoguan had developed its economy by exploiting mountain resources and what it had achieved in this work. He said: People in mountain areas should make full use of their local resources and establish a sound cycle of big agriculture by developing agriculture, forestry, animal husbandry, sideline production, and fishery. While developing economies of scale and enhancing economic results, people in mountain areas should not neglect exploring local resources. [passage omitted]

During his inspection tour of Shaoguan, Comrade Lin Ruo specially mentioned the development of forestry. He highly praised Qujiang County's developing forestry along the path of commodity economy and Wengyuan County's closing off the reforested areas. He pointed out: Their experience is worth learning from. Development of forestry should be taken as a major aspect of economic development and people should take the initiative in developing forestry production.

**Guangxi Farmers Should Manage Larger Farms**  
*OW0908045588 Beijing XINHUA in English 0116 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—More than 200 farmers in Guixian County, south China's Guangxi Zhuang Autonomous Region, now operate their own farms, according to today's "GUANGMING DAILY".

The paper reported that the farmers, who control about 436 hectares of farmland, have increased their land by leasing land from other farmers, who have shifted to other agricultural undertakings, or from state-owned farms. They have hired other farmers and technicians.

In China, each rural household has contracted a certain amount of farmland under a responsibility system since 1979. However, many of the farmers have since shifted to other occupations. In order to push up agricultural production, the central government now encourages farmers who wish to continue farming to expand farm holdings and manage bigger farms.

The paper reported that the biggest of these farms in the county covers 50 hectares and the smallest, two hectares.

One farmer, Su Ruhao, earned about 80,000 yuan last year from sugarcane planting on 8 hectares of farmland. This year 50 hectares of farmland will be planted with sugarcane, which is expected to earn him 400,000 yuan.

**Hunan University To Recruit Only Rural Students**  
*OW0908092288 Beijing XINHUA in English*  
*0745 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—The Hunan University of Science and Technology has become China's first to start recruiting students solely from rural areas.

The "GUANGMING DAILY" today quoted the university's president, Liu Li, as saying that his university is trying to meet the pressing needs of rural enterprises for technical experts. "All graduates of our university will return to the rural areas to work," Liu added.

Liu said that at present only a small portion of university and college graduates every year go to work in China's rural areas.

The president said his university will first offer six regular specialties this year including rural enterprise management, accounting and statistics, mechanics, chemistry, foodstuff processing and construction.

### North Region

**Hebei Semiannual Statistics Released at Briefing**  
*SK1008011288 Shijiazhuang HEBEI RIBAO*  
*in Chinese 27 Jul 88 p 1*

[Text] According to the data provided at a news briefing held by the provincial Statistics Bureau on 26 July, various localities throughout the province continued to deepen reform and open themselves wider to the outside world while focusing on the central task of economic construction, launched in-depth campaign to increase production, practice economy, increase revenues, and reduce expenditures, and maintained a good trend in the development of the national economy of the province.

Industrial production grew in a sustained and stable manner, and economic results improved continuously. In the 1st half of this year, industrial enterprises at and above the township level throughout the province created 22.843 billion yuan in output value (calculated at 1980 constant prices), increasing by 16.6 percent over the corresponding period of last year, and amounting to 51.9 percent of the annual target, thus "fulfilling one half of the task with one half of the time."

In the 1st half of this year, readily marketable products increased by a large margin thanks to continuous efforts to readjust product mix. Production was guided by the market. Fairly rapid growth rates were registered in the

production of scarce and popular light industrial and textile goods, such as color television sets, electric fans, refined aluminum products for daily use and plastic goods, which grew by 20.1, 27.0, 18.1, and 18.7 percent respectively, and energy resources, raw materials, and agriculture-oriented products continued to increase fairly rapidly. Production of watches, radios, and other products oversupplied in markets continued to decline. Marketing has improved continuously since the beginning of this year. According to statistics of the industrial enterprises at and above the county level, the marketing rate of 45 industrial products in the 1st 5 months of this year reached 99.11 percent, 0.7 percent higher than the corresponding period of last year. The marketing rates of 24 popular industrial products, such as television sets, cloth, wool fabrics, chemical fertilizer, small tractors, alternating current motors, and machine tools, exceeded 100 percent.

The situation in agricultural production was fairly good, and a good summer grain harvest was reaped. Calculated according to the figures submitted by various prefectures and cities, and those provided by sample surveys, the total summer grain output of the province will be 10 percent greater than last year. Purchases of summer grain proceeded rapidly. So far, more than 98 percent of the contracted purchases of wheat have been completed, showing a substantial increase over the corresponding period of last year. Cotton fields were expanded, and cotton output will continue to grow. Fields sown to cotton throughout the province reached 12.87 million mu, 500,000 mu or 4 percent, more than last year. Cotton crops are growing well. Fields sown to oil-bearing crops continued to increase, and may reach 9.5 million mu in the province, 1.1 percent or 100,000 mu more than last year. Areas sown to cash crops, such as flax, beets, and tobacco, continued to decline, and areas sown to vegetables and melon crops continued to increase. Hog production picked up. In the 1st half of this year, the number of hogs in stock reached 12,790,500 head, 2.3 percent or 287,600 head more than the corresponding period of last year.

The increase in fixed asset investment slowed down, and investment pattern was adjusted. In the 1st half of this year, the fixed asset investment made by the units owned by all people totaled 2.719 billion yuan, an increase of 18.2 percent over the corresponding period of last year, which was lower than the 37.9 percent-growth as registered in that period. In this way, the increase in the investment slowed down. However, we should pay attention to the fact that some large and medium-sized projects were not carried out in line with the plans.

In the 1st half of this year, key construction projects proceeded more rapidly. In the nine key construction projects of our province, which were organized by the state and given a reasonable construction period, 797 million yuan was invested, accounting for 40.95 percent of the annual target, which was much greater than the 29.82 percent as registered in the corresponding period

of last year, and was also higher than the provincial average. Progress of 27 other large and medium-sized projects was not good, and the investment in them accounted for only 30.59 percent of the annual target, lower than the provincial average.

Urban and rural markets were thriving, and foreign export trade increased. In the 1st half of this year, the volume of commodity retail sales of the province totaled 16.47 billion yuan, 25.9 percent greater than the corresponding period of last year. Excluding price rises, the actual growth rate was 12.6 percent. Since the beginning of this year, strong demands have made retail markets extremely thriving. The retail sales of consumer goods reached 13.232 billion yuan, a 24-percent growth. Of the sum, 12.143 billion yuan of goods were sold to residents, an increase of 25 percent, which was higher than the 14-percent increase registered in institutional purchases. Marketing of food, cloth, and commodities for daily use, in particular food, increased.

Purchases of commodities rose. In the 1st half of this year, the total value of commodities purchased by commercial units reached 9.84 billion yuan, 23.6 percent more than the corresponding period of last year. Goods worth 3.92 billion yuan were allocated in from other provinces, showing a 13.3-percent increase.

Foreign export trade declined first, but rose later. In the 1st half of this year, the total value of the province's foreign export trade reached \$799 million, 9.01 percent more than the corresponding period of last year.

Revenue increased, and banking work was vigorous. In the 1st half of this year, local revenue of the province totaled 3.041 billion yuan, amounting to 53.4 percent of the annual budget, and increasing by 10.2 percent over the corresponding period of last year in terms of comparable standards. Of the sum, industrial and commercial taxes came to 2.748 billion yuan, an increase of 16.4 percent. Local expenditure was 2.481 billion yuan, rising by 15.4 percent, which was higher than the revenue growth rate. Balancing the revenue and expenditure, the former was 560 million yuan greater than the latter, 177 million yuan less than the growth registered in the corresponding period of last year.

Savings deposits of banks totaled 33.149 billion yuan at the end of June, 9.11 percent or 2.767 billion yuan more than the figure calculated at the beginning of this year. Loans of various categories totaled 39.731 billion yuan, a 2.88-percent growth.

The living standard of the people continue to improve. In the 1st half of this year, the total payroll of staff members and workers throughout the province was 4.05 billion yuan, 18.9 percent greater than in the corresponding period of last year. Of the sum, bonuses and above-quota piecework wages totaled 706 million yuan, a 48.3-percent increase. According to sample surveys, the average per capita monthly cost of living income of

urban households rose by 18.8 percent, and the average per capita monthly cost of living expenses by 25.1 percent. The per capita cash income of peasants rose by 23.7 percent.

#### Tianjin's Li Ruihuan on Literary, Art Works

SK0908054988 Tianjin TIANJIN RIBAO  
in Chinese 26 Jul 88 p 1

[Excerpts] The teleplay "University" produced by the Tianjin television station won first place in the class two television drama category at the eighth national contest to present the Flying to Heaven award to outstanding teleplays through public appraisals. This event evoked strong repercussions in Tianjin's literary and art circles, particularly among television drama players. This also indicates that Tianjin has made a new start in developing teleplays that was extricated from several years stagnation. A celebration meeting for the award-winning teleplay "University" was held at Leyuan Guesthouse on the morning of 25 July.

Li Ruihuan, secretary of the municipal party committee and mayor, made an important speech at the celebration meeting. Attending the meeting were some municipal leading persons, including Tan Shaowen, Wang Xudong, Huang Yanzhi, Shi Jian, Qian Qiao, Xiao Yuan, and Fang Fengyou; and Xie Guoxiang, director of the Propaganda Department of the provincial party committee. [passage omitted]

On behalf of the municipal party committee, People's Congress Standing Committee, government, and CPPCC Committee, Mayor Li Ruihuan first extended greetings and respect to the players of the drama "University" and extended thanks to the comrades on all fronts and "enlightened entrepreneurs" who have supported the development of teleplays. He said: The teleplay "University" is bold in directly facing social reality and gives a vivid, profound, and reasonable answer to the questions concerning the "leadership of the Communist Party and the exemplary vanguard role of Communist Party members." The teleplay "University" also gives a forceful, affirmative answer to the question concerning whether or not novels, dramas, films, and teleplays can reflect reality, and the question concerning how to reflect reality.

He said: Changes have taken place in all social fields through reform and opening to the outside world. Various types of contradictions are not only complicated but also prominent. By advocating democracy, many people are brave in exposing true thinking, personages of various characters, and various kinds of situations. This has provided a large amount of materials for literary and artistic creation. The people begin to think of joy and have strong requirements for literature and art after they become rich and improve their livelihood. Simultaneously, thanks to the fact that the party's policies on literary and artistic work are stabilized, literary and art workers may write down their feelings sincerely. We

have to say that now we are in a good period for literary and artistic creation. How to handle accurately the relationship between the ideological content and artistic quality of literary and artistic works is a very difficult job. Hereby, we must affirm two points. First, ideological content and artistic quality should be integrated with each other. Second, ideological content should be embodied through artistic quality. Therefore, while studying how to express a theme, the most difficult section is art. The valuable sectors of the teleplay "University" are that under a solemn title, a group of vivid personages were portrayed. So, it has made gratifying achievements in linking artistic quality with ideological content.

"On how to promote Tianjin's teleplays," he said that three unsuitable factors for developing literary and artistic creation and sports existed in Tianjin in the past. First, the development was not suitable to the economic development. Second, the development was not suitable to the people's demands. However, the situation has been changed thanks to our efforts made over the past few years to develop Beijing, pingju, and bangzi operas, and folk art forms. But, no changes have taken place in teleplays. He said that in the past, literature and art was, in the final analysis, aimed at enriching the people's spiritual life. In this sense, teleplays, with great capacity to attract a large number of people, play an extremely important role in the people's livelihood. So, we must regard it as a great matter and pay attention to it.

With respect to improving teleplays, Li Ruihuan said that the key to improving teleplays hinges on the literary and art circles' self-efforts. Meanwhile, literary and art circles should pay attention to working in unity with leaders. Regarding specific work, what is important is that literary and art circles should offer advice, select good plays, choose good directors, and pay attention to quality. Mayor Li Ruihuan concluded that Tianjin should strive to make its teleplays "fly" truly since the teleplay "University" won the "flying-apsaras award." We must do our jobs well, so must you. Only when all of us do our jobs well, Tianjin will certainly promote its teleplays.

### Northeast Region

#### Heilongjiang PLA Transferred to Civilian Posts *SK0908062188 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 8 Aug 88*

[Text] The provincial Military District successfully accomplished the task of transferring the first group of officers to civilian posts.

On 8 August, the provincial Military District held a rally with the participation of cadres at civilian posts. The first group of officers took the order of being transferred to the civilian posts.

While being transferred to civilian posts, the vast number of cadres embodied their lofty ideological awareness. Although they were reluctant to take their uniforms off, they have taken the overall situation into consideration; expressed that they would not change the soldiers' true qualities although they are transferred to civilian posts; and pledged to maintain continuously and carry forward our Army's fine traditions and add brilliance to the Army flag with their outstanding achievements.

### Northwest Region

#### Shaanxi Blackmarketing, Commissions Pose Problem *OW0908142588 Beijing XINHUA in English 0716 GMT 9 Aug 88*

[Text] Beijing, August 9 (XINHUA)—More efforts are needed to tackle the problems of foreign exchange blackmarketeering and sales commissions in the tourism sector in Xian, capital of northwest China's Shaanxi Province.

A signed article in the "ECONOMIC DAILY" today said that every year a total of three million yuan-worth of foreign exchange is kept by private peddlars, who refuse to convert the money into renminbi at banks.

Some of the private peddlars use the foreign exchange or foreign exchange certificates for blackmarketeering and for speculation by reselling sought-after commodities for illegal profits.

Moreover, the paper said, some tourist guides demand sales commissions from tourists, threatening to steer tourists away from those shops which do not hand over commissions.

**Liberalization of Farm Product Imports Planned**  
*OW0908132988 Taipei International Service*  
*in English 0200 GMT 8 Aug 88*

[Text] The Republic of China will eventually liberalize imports of farm products on its liberalization and internationalization program, a statement of the cabinet's ad hoc committee on Sino-U.S. trade said.

After commenting on the Sino-U.S. trade talks on farm products in Hawaii, which ended suddenly without an agreement, Wang Chao-ming said that he has not received any message from the Chinese delegation. However, Wang said, he did not believe that the government restrictions on imports of turkeys and fruit in order to protect local farmers could hold up much longer under the current worldwide surge of protectionism.

Wang said that the protection of domestic farmers is subject to certain conditions, and the most important of which is the consideration of security. For example, Wang said, rice, the staple food in the Republic of China, must be protected to guard against possible worldwide famine. On the other hand, Wang said, it is not necessary to protect farm products that are not likely to affect daily life. He said that the government should help farmers of these products to switch to other crops.

**Radio Urges Sports, Media Exchange With Mainland**  
*OW0908142388 Taipei Domestic Service in Mandarin*  
*2300 GMT 7 Aug 88*

[Station commentary: "A New Breakthrough in Policy Toward Mainland"]

[Text] An opinion poll shows that among the policies implemented last year, the one that got the highest approval from the people was the policy toward the mainland. In other words, the bold and humanitarian decision taken by the authorities to lift the ban on visiting relatives on the mainland not only conforms to the will of the people, but has also ushered in a positive and creative mainland policy. Judging either from the standpoint of humanitarianism, political reform, or policy evaluation, the new government policy toward the mainland deserves acclaim by the people.

Government policy-making nowadays stresses that government policy should be readjusted from time to time to keep up with the times. We have all witnessed the "mainland craze" that has swept the nation over the past year. We are all, after all, Chinese. Although not all of us have relatives on the mainland, it is understandable that we all share a longing for the beautiful land, a curiosity for the historical relics on the mainland, or a hankering for the economic benefits that may be accrued through trade.

As a matter of fact, visiting the mainland either for pleasure or for seeking business opportunities as well as visits by journalists to gather news have already become a quite common phenomenon. In view of the blood kinship and national sentiments, it is very likely that the initial step we have taken, that is, the lifting of the ban on visiting relatives on the mainland, will involve various ramifications. For this reason, the government must properly guide the people instead of imposing bans on them in order to achieve its policy objective. We have always supported the government policy of opening up to the mainland step-by-step and we sympathize with the government's stand in sticking to the three no's.

If people-to-people contact is what the government policy has in mind, then there is no need to ban sports exchanges or visits by journalists. That sports should be free from political interference is a consensus shared by the world. Our policy is that the Chinese Communists do not represent China. In this context, lifting the ban on sports exchanges will be a safe step that meets the requirements of an enlightened, step-by-step opening up.

The mainland policy plan announced by the ruling party last month at its 13th congress clearly points out that participation in international sports and skills competitions by the two sides of the Taiwan Strait should be handled in accordance with the regulations of the International Olympic Committee and other organizations. We believe that since the ruling party has openly endorsed sports exchanges, the government should work out a policy quickly and carry it out earnestly.

Insofar as this bastion for recovering the mainland is concerned, the advantages of sending journalists to the mainland far outweigh the disadvantages, for freedom of the press itself represents a challenge to the totalitarian regime of the Chinese Communists. After 40 years of separation, except for sending our own journalists to gather news, there is no better way other than sending journalists to the mainland to enable the people here to get a deeper understanding of the Chinese Communist regime and the society on the mainland.

At present, almost all our mass media carry news about the mainland. However, most of the reports, written by foreigners, do not fully meet the demands of the public in terms of timeliness and viewpoint. The mainland, as presented by these reports, is a bizarre world marked by rare phenomena and strange creatures. This is unfair both to the motherland and the compatriots. This situation, if allowed to continue, will only seriously hamper the great cause of national reunification.

Lifting restrictions on journalists and athletes visiting the mainland can serve as a stepping stone of the step-by-step policy. In particular, journalists, while gathering news, will be able to show the mainland compatriots how freedom of the press works. This will certainly help enlighten the mainland on democracy.

To be honest, the current government's mainland policy already lags behind public opinion. The public considers the government too conservative while the government, on the other hand, considers the people too audacious but is unable to effectively prevent them from going to the mainland for pleasure, business, or even news gathering. If things go on like this, how could the government keep up its prestige and preserve public trust?

Politics is an art of dealing with possibilities. Launching a political counterattack with flexible tactics should be the long-term objective of our mainland policy. We hope that both government and people will boldly promote face-to-face contacts with a healthy attitude. With the government decrees as the bottom line of contacts and the government itself as our backing, every one of us should try to be an anticommunist vanguard and, as the step-by-step exchanges develop in the future, work hand in hand with the mainland compatriots to build a unified, democratic China.

**ROK Ambassador Arrives To Take Up Post**  
*OW1008032188 Taipei CNA in English 0239 GMT  
10 Aug 88*

[Text] Taipei, Aug. 10 (CNA)—Han Chol-su, the new ambassador of the Republic of Korea to the Republic of China [ROC], said in Taipei Tuesday that he will continue to strengthen the existing close traditional relations between the two countries.

Speaking upon his arrival at Chiang Kai-shek International Airport, Ambassador Han said he felt gloriously happy to assume his post in Taipei. "The responsibility is great," he said.

As to rumors that South Korea would try to establish "official" relations with the Peiping regime after the Olympic Games, Han said he has never heard about it, so it must be only reports by newspapers.

Han said since World War II, the Korean people have always been very thankful for the ROC Government's assistance. He believed that in the future both the people and governments of the two countries would continue to struggle together for their common goals.

Ambassador Han Chol-su, a retired four-star general, has served as South Korean representative at the U.S.-ROK Joint Military Command and chief of staff of the Staff Headquarters before his retirement.

**Trade Mission Chief Named in Singapore**  
*OW0908130788 Taipei CNA in English 1038 GMT  
9 Aug 88*

[Text] Taipei, Aug. 9 (CNA)—The Foreign Ministry Monday announced the appointment of Chiang Hsiao-wu, deputy representative of the ROC [Republic of China] Trade Mission in Singapore, as representative of the mission.

Chiang, the second son of the late President Chiang Ching-kuo, took office Monday, replacing Hu Hsin who is expected to retire.

Chiang, 43, who holds a master's degree in international relations from Chinese Culture University, was formerly president of the Broadcasting Corporation of China.

**END OF  
FICHE**

**DATE FILMED**

11 Aug. 1988

